

## BEST EXECUTION POLICY

PIRAEUS BANK



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# BEST EXECUTION POLICY

## 1. Introduction

This Policy summarizes the principles established by the Piraeus Group to comply with the Best Execution Obligations resulting from the application of the Law 4514/2018 (MiFID II), the Delegated Regulations and the regulatory technical standards that have been issued.

The Directive provides that investment firms, when executing orders on behalf of clients, take adequate measures in order to achieve the best result for the client on a solid basis.

This Policy describes the strategy followed by the Group, the main measures it adopts to comply with its obligation to perform the best execution of orders and the way in which these measures enable the best possible result to be achieved.

## 2. Scope and Application of this Policy

The Best Execution Policy is applied in combination to:

- Retail and Professional clients or Eligible Counterparties only if the latter request to be treated either for general or for specific transactions as clients whose relations with the Group are subject to the provisions of articles 24, 25, 27 and 28 of the Law 4514/1018,
- the financial instruments as described in Annex I, Section C of the Law, whether they are traded within or outside regulated markets either through Multilateral Trading Facilities (MTFs) or through Organized Trading Facilities (OTFs),
- execution, or transmission of orders for execution to other entities in the context of providing the service of execution of orders for clients, of reception and transmission of orders as well as client portfolio management.

Clients' specific instructions override the Best Execution obligation, either in part or in whole. When the Group receives a specific instruction from the client, which concerns either a whole order or a specific parameter of the order, it will execute it or transmit it to third parties for execution according to the client's instructions. In this case, the Group fulfills its obligation under the Law 4514/2018 and the Delegated Regulation (EU) 2017/565 to take adequate measures to obtain the best possible result for the client regarding the whole or the specific parameter of the order. When the instruction concerns a specific parameter of the order, the best execution obligation will apply to the other parameters of the order.

The following are indicatively mentioned:

- When the client gives specific instructions to execute his/her order at a specific trading venue, the Group will not be responsible for the selected venue.
- When the client gives instructions to execute his/her order at a specified time or in a specific period of time, irrespective of the available price, the Group will make every effort to execute the order at that specific time or period in the best possible way, but will not be held responsible for choosing the right time or for any other price-related or other factors that arise from the selection of the execution time of the order.

It is clear from the above that any specific instructions from the client may prevent the Group from taking the measures provided for in the Order Execution Policy in order to obtain the best possible result when executing orders in respect of the items covered by the client's instructions.

## 3. Factors and Best Execution Criteria

When executing or receiving and transmitting client orders to third parties or transmitting them to other entities in order to execute client portfolio management orders, the Group has established mechanisms to comply with its obligation to observe the client's best interests (hereinafter referred to as "best execution obligation").

The best execution obligation is to take adequate measures to achieve the best possible result for clients on a systematic basis by the Piraeus Group. The Group, upon request, is able to demonstrate to its clients that it has executed the order(s) in accordance with the provisions of this policy.

The Group takes adequate measures to achieve the best result for the client when executing orders. The main factors taken into account to determine the best possible result are presented in the following ranking of importance:

- the price of the financial instrument (available price and quantity available in the specific price),
- the speed of execution the order (per trading venue),
- the volume of the order,
- the likelihood of execution, clearing and settlement of the order,
- the cost of executing the order (which is charged to the client)
- the ability of the trading venues to handle the orders transmitted,
- the nature of the order,
- other factors relating to the execution of the order.

The abovementioned ranking and the relative weight of the execution factors may vary, even by order, depending on the prevailing market conditions, including liquidity and price volatility conditions, special terms and complexity of orders as well as other reasons related to execution.

When executing client orders and so as to determine the relative weight of the best execution factors, the Group takes into account the following criteria:

- the characteristics of the client, including his/her classification as a retail or professional client,
- the characteristics of the client's order, including order relating to securities financing transaction (SFS),
- the characteristics of the financial instruments the order concerns,
- the characteristics of the trading venues to which the order may be transmitted for execution,
- the characteristics of the investment service provided on a case-by-case basis

In general, according to the factors taken into account and their ranking, the most important execution factor - is the price at which the order is executed in the relevant financial instrument. There might be cases that, ranking may not be followed or may be modified by the Group in practice, always aiming at achieving the best balance between trading venues, such as, for example, when executing orders in illiquid financial instruments where the probability of execution becomes the primary factor of execution.

The Group specifically for retail clients determines the best possible result in terms of the total costs charge which represent the price of the financial instrument and all costs incurred by the client and which are directly linked to the execution of the order, including the fees of each trading venue, the clearing and settlement fees and all commissions / fees paid to the Group itself and / or to third parties involved in the execution of the order.

For the purpose of achieving optimum result, when there are more than one competitive trading venues to execute an order relating to a financial instrument, in order to evaluate and compare the results for the client that would be achieved by executing the order in each of the venues included in the order execution policy of the Group, this assessment takes into account, inter alia, the commissions/ costs borne for executing the order on each of the eligible trading venues.

The Group will not receive any remuneration, discount, or non-monetary benefit to direct client orders to a particular trading or trading venue, nor will it charge its commissions in such a way as to discriminate unfairly among the venues.

In the provision of the Reception – Transmission and Portfolio Management services, the Group may transmit the client order to third parties, provided that the third parties will be able to achieve the best execution results for the clients on a permanent basis.

The Group selects the third persons to whom it transmits the orders to be executed if it finds that they have the capacity of an investment firm and after reviewing their procedures in order to determine the adequacy of their best execution policy. The third person selected must be subject to, and fully comply with, the applicable regulations and the obligation of best execution of clients' orders.

A detailed list of third parties with whom the Group has entered into agreements for the transmission of client orders is included in the Financial Instruments Execution Table and is available in the Branches and on the Bank's website.

The Group receives payments from third parties in the context of reception, transmission and execution of orders and non-independent investment advice only if they are designed to improve the quality of the service provided to its clients and do not

prevent the Group from acting in a fair, impartial, professional way according to the clients' best interests. In this case, the Group informs the Client of the inducement received from the trading venues.

Furthermore, the Group monitors on a regular basis the effectiveness of this policy and monitors in particular the quality of execution provided by a third party (e.g. a broker or intermediaries) that has been chosen as mentioned in the internal selection and evaluation procedure of third parties; and in possible changes updates the list and, if appropriate, corrects any weaknesses.

The Group assesses whether there has been any material change and if so, considers the possibility of changing the trading venues the Group relies on for the fulfillment of the primary requirement of best execution. Any significant event that could affect the best execution parameters, such as cost, price, speed, probability of execution and settlement, size, nature or any other factor associated with the execution of the order.

If the Group is required to close a client's position due to non-fulfillment of the contractual obligations of the latter or the implementation of institutional obligations, the relevant order will not be subject to the best execution obligation.

#### **4. Client Order Management Policy**

**A.** For the execution of an order, the Group applies procedures and mechanisms that guarantee the timely, fair and expeditious execution of client orders relative to the orders of other clients and the trading positions of the Group. The Group ensures the following:

- the orders are registered and allocated directly and accurately,
- otherwise comparable orders are executed in a timely manner and on the basis of their time of reception unless the characteristics of the order or the market conditions do not permit the execution or if the client's interests require different handling,
- retail clients will be informed of any material problem that may affect the orderly execution of orders as soon as the Group becomes aware of the problem. A material problem is, for example, the suspension of trading of a financial instrument or a major problem in the Bank's systems.

The Group will not make unfair use of information regarding its outstanding client orders and will take all reasonable steps to avoid the misuse of such information by relevant persons.

If the Group is responsible for the supervision or organization of an executed order, the Group shall take all reasonable steps to ensure that the financial instruments or client funds received to settle the executed order are delivered promptly and correctly to the client's account.

In the case of a client's limit order on shares admitted to trading on a regulated market or traded on a trading venue that is not immediately executed under the current market conditions, the Group shall, unless the client explicitly gives other instructions, make immediately the limit order public in a way that is easily accessible to other market participants, by either submitting the order to be executed, as a matter of priority according to this policy, to a regulated market or an MTF, or by sending the said order for disclosure to an approved data reporting service provider, such as the "Approved Publication Arrangements" which is used for the disclosure of transactions executed outside the trading venue. The Group is exempted from the obligation to disclose limit orders for large orders in relation to the normal size of the market, if the relevant supervisory authority so decides in accordance with the relevant provisions.

**B.** The Group aggregates client orders with orders from other clients or transactions on its own account only if it is unlikely that the aggregation of orders and transactions will result to the detriment of any of the clients whose order will be aggregated. However, performing a cumulative execution of orders may in some cases work to the detriment of the Client for a particular order. The client recognizes and accepts this risk by signing such contract.

The Group has effectively implemented a policy for the allocation of aggregated orders, whether executed in whole or in part, which clearly defines the fair way in which aggregated orders are shared, including how the volume and Order value affects their allocation.

When the Group aggregates transactions for own account with one or more client orders, the allocation of the relevant transactions is not detrimental to any client. In this case when the aggregated client order is executed in part, the distribution of the relevant transactions is prioritized to the client in relation to the Group's companies. If the Group is able to reasonably

demonstrate that without that aggregation it would be unable to execute the order on such favorable terms or not at all, it may allocate the transaction for its own account proportionally according to the policy it has established.

In the context of the allocation policy, the Group applies procedures to avoid re-allocation, in a way that damages the clients' interests in cases the transactions on own account are executed in aggregation to clients' orders.

## 5. Trading Venues

Orders may be executed either on a trading venue or outside a trading venue.

The trading venues include regulated markets, multilateral trading facilities (MTFs), and organized trading facilities (OTF). Outside the trading venues, the Group executes orders either directly through its own facilities, acting as a trading venue by performing internalization against its own account or as a systematic internaliser, or uses other trading venues e.g. Market makers, systematic or other internalisers, Investment firms to execute transactions in the name and for the account of their clients.

The trading venues that the Group uses for each class of financial instrument are listed in Section 9, are disclosed to the client and are available in the Group's branches and on the Group's website. In the event that a financial instrument is admitted to trading on more than one trading venue, the key criterion for selecting the trading venue for the Group is the systematic achievement in the specific place of the best possible outcome for the client.

In cases that the trading venues for a particular financial instrument are more than one, the following, inter alia, shall be taken into account for the selection of the venue: the available price and liquidity, probability and execution speed, clearing rules, pricing, price volatility control mechanisms, and other factors such as credit risk and the ability to manage specific orders.

The Group, subject to the prior express consent of the client, reserves the right to execute or transmit orders for execution or transmits orders to be executed on its behalf outside the trading venue. The Group ensures the abovementioned client's express consent and informs the client about the consequences (e.g. counterparty risk) that may arise from the execution of his/her orders outside the trading venue by signed agreement. The Group shall ensure compliance with the obligations of Articles 23 and 28 of the Regulation (EU) 2014/600 when executing the client's orders itself or shall enter into agreements with the cooperating investment firms to which the Group transmits the orders for execution, providing for the compliance of these firms with the obligations of Articles 23 and 28 of Regulation (EU) 2014/600 in the context of providing the service of execution and transmission of the Group's client orders.

When executing client orders or on decision to transact on behalf of clients in OTC and financial instruments the Group checks the fairness of the price proposed to the client by collecting market data used to calculate the price of the product in question and, where possible, by comparing to similar or comparable products.

When in a particular case it appears that it might be possible to achieve optimal execution at a trading venue that the Group does not systematically use, the Group may use such a trading venue on a case by case basis.

The Group may use a single Trading venue for a class or sub-class of financial instruments as long as it ensures that best execution is achieved for clients on a consistent basis and ensures results at least as satisfactory as the results expected from the use of alternative trading venues.

Piraeus Group will summarize and publish on its website the first five trading venues for all client orders executed per class of financial instruments as well as data on the execution quality achieved. For each class of financial instruments, the Group will analyze the execution quality of client orders in the first five trading venues in the previous year and the conclusions will be posted on the Group's site.

## 6. Special Arrangements

In particular, the following apply:

### **A) Execution of Commodities (Non-Bonds) in Regulated Markets, MTFs, OTFs**

The Bank and the Group companies transmit client orders and orders in the context of portfolio management on listed financial instruments to a trading venue in Greece or abroad, mainly in Piraeus Securities, which follows the Group's Best Execution Policy. These orders may also be executed via other members of the relevant broker markets or brokers with whom the Group has entered into intermediation agreements

## **B) Execution of Bond Instructions (Listed and Unlisted)**

The execution of client orders and orders in the context of portfolio management service on Bonds (Listed and Unlisted) on a trading venue is performed by the Bank and / or by Piraeus Securities and appropriate procedures are in place to comply with the Best Execution Policy. The Bank acts as a trading venue by performing internalization using its own portfolio and discloses to the client both the price of the Financial Instrument and the charged fees. Group Companies may also engage with third parties (other than the Bank) for the execution of such orders.

## **C) Execution of Out-of-Stock Market Orders (including Derivatives)**

The execution of client orders and orders in the context of portfolio management service over OTC products is mainly performed by the Bank and appropriate procedures are in place to comply with the Best Execution Policy. The Bank acts as the Trading venue and discloses to the client both the price of the Financial Instrument and the charged fees. Group Companies may also engage with third parties (other than the Bank) for the execution of such orders.

## **D) Execution of Orders in UCI / AIF Shares**

Client orders for transactions in shares or units of UCITS represented by Piraeus Bank are transmitted directly for execution to the respective Management House.

The Group reserves the right to use an alternative trading venue to achieve Best Execution, while ensuring that it complies with the minimum rating criteria as outlined in the Best Execution Policy and with the necessary information of the Client.

The Group provides access for its clients to international financial and capital markets through agreements with third parties (e.g. Credit Institutions, Investment Firms) on the basis of specified selection criteria. These entities either act as members for trading on trading venues (Regulated Markets, Multilateral Trading Instruments, Organized Trading Mechanisms) or as the Group's counterparties.

If an order is transmitted to third parties for execution following the client's specific instructions, the Group shall be regarded as serving the client's best interests.

## **7. Monitoring and Review**

The Group monitors and reviews at least annually and on the basis of specific procedures and methods the effectiveness of this Policy and the order execution arrangements in order to identify and - where appropriate – remediate any deficiencies and adjust to the conditions and market practices followed. In this context, the Group examines on a regular basis whether the trading venues included in the order execution policy achieve the best possible result for the Group's clients or it is necessary to alter the following order execution arrangements.

The aforementioned review is also performed whenever, on the basis of a relevant assessment, there is a material change that affects the Group's ability to continue to achieve the best possible result on a continuous basis in executing client orders using the trading venues included in this policy. In this context, the Group decides whether it is necessary to change the relative importance of best execution factors in order to fulfill the obligation of best execution.

Any substantial change in this policy and in the best execution arrangements is disclosed to the Group's clients via a durable medium (including posting on its website).

The Group shall respond clearly and within a reasonable time to reasonable and proportionate requests for client information regarding the best execution policies or arrangements and the manner in which they are reviewed.

## **8. Record Keeping**

The Group ensures keeping sufficient records of specific client instructions and orders, whether issued or not, as follows:

- for the period provided for by the Law and at least for 5 years in durable means which are readily accessible,
- maintains data on all corrections and other modifications, and a screening procedure in place to minimize possible interference or manipulation,
- when the client's instructions are given by telephone, the employee receiving the instruction has the obligation to record it electronically or to keep it on a durable medium. Special attention shall be paid when recording specific client instructions that override the Policy, either in part or in whole, and any warning given to the client shall be recorded.

## 9. List of Trading Venues

### 9.1 Main Trading Venues

#### Categories of Financial Instruments & Other Investment Products

##### Bonds/Money Market Instruments

##### Multilateral Trading Facilities / Trading Venues

- Bloomberg
- Reuters
- EuroMTS
- The Electronic Secondary Securities Market (HDAT)\*

*Trading can be done directly or through third parties*

##### Trading Venues

- Piraeus Bank
- National Bank Of Greece
- Eurobank
- ALPHA BANK
- JP MORGAN
- BANCA IMI
- KBL

##### OTC / Compound/ Structured

**Products** (Including Unlisted Shares, Structured Deposits, Derivatives)

##### Trading Venues

- Piraeus Bank
- National Bank Of Greece
- Bloomberg

#### Shares /Other Financial Instruments that are listed or traded on a Regulated Market, MTF, OTF Stock Trading Venues – Europe

Greece	Athens Stock Exchange*
Greece	Alternative Market of Athens Stock Exchange*
Cyprus	Cyprus Stock Exchange *
Germany	Deutsche Boerse AG, (Xetra)
France, The Netherlands, Belgium, Portugal	Euronext Stock Exchange
U.K.	London Stock Exchange, London International
U.K.	London AIM
Italy	Borsa Italiana
Spain	Madrid Stock Exchange
Sweden	Stockholm Stock Exchange
Switzerland	Virt-x, The Swiss Exchange
Finland	Helsinki Stock Exchange
Ireland	Irish Stock Exchange
Austria	Vienna Stock Exchange
Denmark	Copenhagen Stock Exchange
Hungary	Budapest Stock Exchange



Czech Republic	Prague Stock Exchange
Poland	Warsaw Stock Exchange
Turkey	Istanbul Stock Exchange
Romania	Bucharest Stock Exchange
Bulgaria	Sofia Stock Exchange

#### Stock Trading Venues – America

U.S.A.	NewYork Stock Exchange, Nasdaq, AmericanStockExchange
Canada	Toronto Stock Exchange, VentureExchange

#### Stock Trading Venues – Asia

Japan	Tokyo Stock Exchange
Hong Kong	The Stock Exchange of Hong Kong
Singapore	Singapore Exchange
Thailand	The Stock Exchange of Thailand

#### Stock Trading Venues – Africa

South Africa	Johannesburg Stock Exchange
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#### Stock Trading Venues – Oceania

Australia	Australian Stock Exchange
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#### Derivatives Trading Venues

- Athens Stock Exchange \*
- EUREX Exchange
- EURONEXT Exchange
- Chicago Board of Trade
- Chicago Mercantile Exchange
- Hong Kong Exchange
- EURONEXT Liffe Exchange
- Chicago Board of Options Exchange
- Intercontinental Exchange
- Singapore Derivatives Exchange
- Bolsas y Mercados Espanoles: MEFF
- Borsa Italiana: IDEM

\* Marks the trading venues where the Group companies execute direct client orders as a member of these trading venues.

#### Piraeus Group UCITS

- Piraeus Asset Management M.F.M.C.
- Piraeus Asset Management Europe

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### UCITS of Representative Houses

- The Houses Piraeus Bank enters into representation agreements
- The FundSettle of Euroclear Bank

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### UCITS of other Houses

- Houses represented by third entities
- The FundSettle of EuroclearBank
- Société Générale Luxembourg

## 9.2 Custody - Clearance

- Piraeus Bank
- Deutsche Bank
- Euroclear Bank
- JP Morgan Securities
- Clearstream Banking
- BNP Paribas Securities Services
- Société Générale, Paris
- Société Générale Bank & TrustLux
- SG Private Banking Suisse S.A.
- Banco Commercial Portugues
- Piraeus Bank Romania S.A.
- BRD - Groupe Société Générale
- National Bank of Greece
- Eurobank
- ALPHA BANK
- KBL
- Interactive Brokers (UK) Limited
- Bank Of Greece
- Piraeus Securities
- Piraeus Bank Bulgaria AD

## 9.3 Intermediators - Counterparties

The Group provides access for its clients to international financial markets and capital markets through agreements with third parties (e.g. Credit Institutions, Investment Firms) based on pre-defined selection criteria. These entities either act as members for trading on trading venues (Regulated Markets, Multilateral Trading Facilities, Organized Trading Facilities) or are Group Counterparties.

The following list is indicative and does not claim to be exhaustive:

Piraeus Securities, Alpha Finance, National Bank Securities, Merit, Solidus, Eurobank, Kyklos, L. Depolas, Beta, IBG Euroxx, , Bayern LB, KBL, Banca IMI, Auriga Global Investors, BGC Partner, Forte Securities, JP Morgan Securities, Morgan Stanley, OCTO Finances, StifelNicolaus EuropeLtd, Stormharbour, Vantage Capital Markets LLP, Aegean Baltic Bank, Attica Bank, Piraeus Bank Icb JSC, Nomura International Plc, Piraeus Bank Bulgaria AD, Astrobank Ltd, Piraeus Bank Romania, Piraeus Bank AD, Tirana Bank, Vojvodjanska Banka DD, Barclays Bank PLC, Banca Imi SPA, Commerzbank AG, Credit Suisse Securities (Europe), Credit Suisse International, Goldman Sachs International, Bank Of New York Mellon, JP Morgan Securities PLC , HSBC Bank PLC, Morgan Stanley & Co International Ltd, The Royal Bank Of Scotland PLC.

