

**PRE-CONTRACT INFORMATION FOR  
MiFID INVESTORS**

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## **INTRODUCTION- EMPORIKI BANK**

Emporiki Bank was established in **1907** and has been listed on the Athens Stock Exchange (A.S.E) since 1909. For more than 100 years it has preserved its values and principles: **credibility, security and integrity**. It operates legally, with the license of the Bank of Greece and the Capital Market Commission and is subject to the supervision of the Bank of Greece and the Capital Market Commission. At the same time it constantly develops the offered banking products and services, in the domestic and international market where it pursues its activities.

The objective is always the **efficient coverage of every need in the sectors of savings, financing and investments** and the **high level of substantial and friendly service** of its clientele. Today Emporiki Bank is one of the most important banks of the Greek market.

Emporiki Bank has a network of **372** branches in the whole Greek territory, and it is also active abroad through subsidiary Banks and branches. The following subsidiaries of Emporiki Bank operate abroad today: Emporiki Bank – Cyprus Ltd in Cyprus, Emporiki Bank – Romania S.A. in Romania, Emporiki – Bank Bulgaria E.A.D. in Bulgaria, Emporiki Bank – Albania S.A. in Albania, as well as the branch of Emporiki Bank of Greece S.A., in London.

Emporiki Bank Group is one of the most dynamically growing Groups in the financial market. The Group's human resources amount to a total of approximately 7.000 persons. Through the network of the Bank and its subsidiary companies, the following products and services are offered:

- Retail and wholesale banking
- Investment banking and leasing,
- Factoring,
- Bancassurance,
- Asset management,
- Mutual funds management,
- Securities portfolio management,

In June 2000 Emporiki Bank proceeded to an agreement of strategic cooperation with the international financial group of **Crédit Agricole**. Six years later, in 2006, Crédit Agricole, acquired, after submitting public offer-bid, approximately 72.40% of the Bank's core capital. The rest still belongs to approximately 36.600 shareholders.

Through Crédit Agricole, which is ranked among the biggest financial groups worldwide, Emporiki Bank has now access to important know-how and to an international network, spreading in 70 countries, while it is modernized and it develops dynamically, realizing its vision.

### **1. PRODUCTS – INVESTMENT AND OTHER BANK SERVICES**

The products and services offered by Emporiki Bank to its clients, through its competent Divisions and subsidiary companies, are the following:

- The receipt, transfer and execution of orders regarding the purchase and sale of shares and derivatives of the Greek and foreign capital markets, on behalf of the Bank's clients.
- Participation, on behalf of clients, to Public Bids and to Entries recording Increase of Equity of Companies listed on the Athens Stock Exchange.

- Receipt of dividends on behalf of clients, regarding both registered and bearer securities.
- Bonds
- Mutual Funds
- Synthetic Swaps
- Exchange Sales
- Outright forwards
- FX Swap
- Term deposits in euro and foreign exchange, bonded or not to mutual funds
- Guaranteed Capital Funds
- Advisory Services
- Services related to underwriting (I.P.O's etc.)
- Safekeeping and administrative management of financial instruments (custodianship and related services)
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- Portfolio management.

## **2. CLASSIFICATION OF CLIENTS**

The Bank has proceeded to the required classification of all its clients to three categories, depending on the supplied services and the data available to the Bank on these clients, and announces it with a personal letter to each client.

## **3. CLIENT CATEGORIES AND INFORMATION ON THE PROTECTION LEVEL**

The relevant Law defines three client categories: «Retail», «Professionals» and «Eligible Counterparties». The Bank treats each client according to his classification and pursuant to the Law provisions for each client category.

Within this context, the Retail client enjoys maximum protection. Professional Clients and Eligible Counterparties are subject to reduced protection, according to the Law, because these clients have greater experience in the financial markets and they have the means to protect themselves from eventual risks.

### **i. Retail clients**

The Bank considers as Retail clients those clients who do not fulfill the conditions laid down by the Law in order to be characterized as Professional clients or Eligible Counterparties.

### **3.2 Professional clients**

According to the Law, as Professional are considered the following clients :

a. Entities obliged to receive an operation license or obliged to subjection to supervision rules in order to perform their characteristic activities in the financial markets, irrespective of eventual license given by a member

state in application of Community legislation, or of eventual license subjection to the supervision rules of a member state without reference to a directive, or undertakings that have received a license or are subject to supervision rules of a third country.

b. Big undertakings that fulfill on an individual basis at least two of the criteria laid down by the Law.

c. National and regional governments, public bodies managing the public debt, central banks, international and supranational organizations such as the World Bank, the International Monetary Fund, the European Central Bank and the European Investment Bank.

d. Other institutional investors whose main activity is investment in financial instruments, including entities dedicated to securitization of assets or other financing transactions.

### **3.3 Eligible Counterparties**

Eligible Counterparties are those that according to the Law enjoy no protection regarding the agreed transactions.

### **3.4 Right to Re-Classification and Criteria for Changing Category**

According to the Law, the clients have the right to demand in writing a change of category, provided they fulfill certain criteria. The possible changes are:

- From Retail to Professional client, for all or some services or financial instruments,
- From Professional to Retail client, for all or some services or financial instruments,
- From Eligible Counterparty to Professional or Retail client for all or some services or financial instruments.

## **4. ADEQUACY AND COMPATIBILITY CONTROL**

In order to estimate the adequacy of the services related to Investment Advice and Portfolio Management for each retail client, the Bank collects information on the knowledge and experience of the client and also on his financial situation and investment objectives. Based on the above information the Bank assesses the investment profile of the client, judges his ability to understand the risks that will result from the transaction or the portfolio management and provides services considered adequate for the client.

As for the Professional clients, the Bank considers that they have the experience and necessary knowledge in order to understand the risks connected to the financial products or services offered. Consequently, it is not necessary to collect information concerning the knowledge and experience of professional clients. However the Bank requires information on their financial situation and investment objectives in relation to these services.

In case the Bank does not receive from the client the above information required for the adequacy control, it will not proceed to providing him with investment advice or portfolio management.

For the control of the compatibility of the services with each retail client, the Bank requires information on his knowledge and experience, which will confirm that he is in position to understand the risks connected with the demanded investment product. If the client does not supply the Bank with the necessary information, or if the Bank considers that the particular investment product is not compatible with the particular client, the Bank should

inform and warn him .In that case the Bank can only execute the order under the customer's full responsibility of that execution.

The Bank is not obliged to a compatibility control in case of provision of investment services regarding only execution of clients' orders or receipt and transfer of orders, with or without further services (see above paragraph 3 IV 3.4) .

Pursuant to article 6, paragraph 25 of L. 3606/2007, when providing investment services consisting strictly of the execution of retail client orders on simple (not complex) financial instruments, that is listed shares on an organized market, bonds or other types of securitized debts (since no derivatives are incorporated), UCITS shares and money market instruments, the Bank is obliged neither to receive information regarding the knowledge and experience of the client in the offered service, nor to judge whether the particular service is appropriate for the client or not (compatibility test). In this particular case the client is not covered by the respective protection of the relative rules of professional conduct and the Bank has to inform him so. However, when Emporiki Bank provides investment advice or portfolio management, it is necessary to receive information on the client's knowledge and experience concerning the particular investment service or financial instrument as well as on the client's financial status and investment aims in order Emporiki Bank to be able to propose them the financial instruments and investment services that are suitable for each client (compatibility test).

## **5. INVESTORS COMPENSATION AND INSURANCE COVERAGE SCHEME**

The transactions run through the BANK are covered by the Investments Guarantee Fund (IGF) and the Members' Guarantee Fund for the Insurance of Investment Services (Members' Guarantee Fund), on condition that the tags and other evidence documenting the claim of the Investor to the BANK, pursuant to article 66, para. 5 of L 2533/1997, are composed and bear the indications laid down in the respective legislative and regulatory provisions and in the relative decision of the Governing Board of the Members' Guarantee Fund. The amount of coverage of the investment services provided to the Investor as of 1.1.2001 is EUR thirty thousand (30.000) including the total investment services provided to the Investor.

Today there is insurance coverage of the claims of the Investor against the BANK in the insurance companies of Crédit Agricole S.A. according to the insurance policies according to the insurance policies The BANK has the possibility to change the referred coverage by its judgment at any time.

## **6. LANGUAGE AND WAYS OF COMMUNICATION**

Greek is set as the official language of communication with the Bank. Any texts or contracts given to you in another language are to facilitate you. In any case, the prevailing text is the one in the Greek language. An agreement to write the text in another language is not excluded.

Main ways of communication between the Bank and the investor may be: by fax, e-mail, recorded telephone communication ("telephone"), letter and retention of correspondence.

## 7. INVESTMENT PRODUCTS

### 7.1 Shares Listed on the Athens Stock Exchange (ASE)

The Bank as member of the ASE has the possibility to receive from its clients orders for purchase and sale of shares and to list them on the ASE system for execution.

#### 7.1.1 Purchase of shares in cash

In order to give a purchase order, the client must:

- Have in his stock exchange code a credit balance equal to the purchase value of the shares he desires, which will be controlled and bound before the execution of the order on the basis of the applied practice.

or

- Fully pay the purchase of the shares in cash, up to the day of the clearance of the purchase (T+3), at the latest,

or

- Pay the value of the purchase of the shares with the product of the sale of these shares, only when purchase and sale are realized at the same meeting (Intraday).

It is noted that the payment of the value of stock exchange transactions **may not** be realized by check.

In case after day T+3 the client has not fully paid the price of purchase of all the shares bought on day T including commission and other expenses, either in cash or by sale of shares, then the Member must proceed within the next working day after expiration of the deadline of the stock exchange clearance of the transaction (T+4) at the latest, to divestiture of the shares bought on day T. **In case of recurrence, the Member may claim the advance of the price or even refuse to realize transactions for the particular client.**

#### 7.1.2 Purchase of Shares by Credit (Margin Account)

Emporiki Bank offers its clients the possibility of transactions on credit. It is noted that credit lending regards strictly the realization of stock exchange transactions and not lending the client in cash for any other purpose.

The transactions on credit give the investors the opportunity to buy more shares than the ones allowed by their available capital, using the leverage technique. In other words, the investor may acquire an equity position paying only part of its value. However the purchase of sales on credit is a technique that should be used by investors familiar with this tool who know its way of function, because this product carries significant investment risks and the investor could lose more than his initial investment.

The basic parameters of the product function and also the amount of the lending interest rate are set within the framework of the competent Authorities' provisions and the decisions of Emporiki Bank.

In order to realize transactions by credit, the client must initially sign a Contract of Investment Services and then a relative Credit Contract with the Bank, in any case giving a communication fax number or e-mail address for daily updating. The orders are transferred by the persons responsible in the branches, the IMSA and the clients themselves to the certified officials of the Equity Brokerage Division.

The portfolio given by the client as a pledge to secure the obligations arising from the credit that will be given to him, is called Security Portfolio and consists of the initial titles or money blocked by the Investor, plus the shares he buys on credit. The security portfolio may not include shares of companies belonging to the category of

Special Stock Exchange Characteristics, Surveillance, under suspension or newly listed unless three days after their first trading. The elements of the security portfolio are subject to weighting. The selection of the shares to be accepted as components of the security portfolio as well as the determination of the criteria for weighting the shares is performed by Emporiki Bank.

### **7.1.3 Purchase of shares with 3 days credit (3dc)**

In order for the client to be able to pay the value of the purchase of shares up to T+3 and by sale, both of the shares bought on credit on day T, and of other shares of his portfolio (hereafter security portfolio), there must be a written agreement for “credit lending” for the three days following the clearance of the **transaction. It is noted here that the security portfolio does not include** shares belonging to the category of “Special Stock Exchange Characteristics” or to the “Surveillance” category or are under suspension or other restriction regarding their trading, nor shares for which less than three days have passed since the beginning of their trading in the ASE.

The agreement describes in detail the terms for the provision of this particular service.

### **7.1.4 Short Sales**

The Bank offers to the client the possibility of short sales to the Stock Exchange, as described in the existing decisions of the Capital Market Commission, the regulation of the ASE and ETESEP, and all the relative decisions of the ASE Governing Board.

The client desiring to proceed to a short sale must have a code for the Shares Market and the Derivatives Market of the ASE. Short Sales may include shares of high capitalization that may constitute underlying security of derivatives or an index of derivative. At the transfer of his order he must state to the ASE Member that his transaction regards a short sale.

The borrowing of shares sold is set through the Derivatives Market according to the Repurchase Agreement or the Purchase Agreement with Repurchase Agreement.

#### **7.1.4.1 Contract of Purchase of shares with Resale Agreement (Stock Reverse Repo)**

With the Purchase Agreement with Resale Agreement the borrower buys the Underlying Security from the derivatives market of the Stock Exchange aiming at their open sale to the share market of the Stock Exchange, with the special resale agreement, while he is obliged to deposit an insurance margin on T+1.

The stock reverse repo is a formalized product with a defined by the ATHEX interest rate and quantity. In order to draw this contract the client pays a daily interest calculated on the basis of the pre-agreed interest rate. The liquidation of the daily part is held on a daily basis.

#### **7.1.4.2 Re-purchase Agreement**

With the Repurchase Agreement the borrower buys the Underlying Security from the Vendor, with the special resale agreement, while he is obliged to deposit an insurance margin on T+1.

The repurchase agreement consists a bilateral agreement concerning the quantity, the interest rate and the duration while, there is a possibility to choose the valeur of the transaction.

The party to the transaction who sells the Underlying Security to the buyer with the special repurchase transaction designated as the vendor of the Repurchase Agreement, while he receives through the Bank a daily income from the interest and a positive insurance margin in case of transactions in other derivatives.

## 7.2 Shares listed on foreign stock-exchanges

The Bank offers to its Clients mediation service for purchase or sale of foreign shares in organized Exchange Traded Funds (ETF) markets.

The purchase of equity securities in foreign markets is realized only if the value of the purchase is advanced in euro or the equal amount in euro in case of equities traded in other currency, while it is obligatory that the Bank's custodian keeps the titles.

The sale of equity securities in foreign markets is performed only if the client gives the titles to the Bank's custodian for safekeeping.

It is noted that short selling or margin trading is not allowed for foreign shares.

The Bank cooperates with UBS Investment Bank, headquarters in London, (for shares transactions in stock exchanges in Europe and America) and CHEUVREUX, headquarters in Paris (only for European markets).

Regarding clearance and custodianship, a cooperation contract has been signed with Bayerische Hypo – und Vereinsbank A- Athens Branch.

The competent Bank Division, through cooperating financial houses, offers the possibility of transactions in 21 countries.

More particularly:

<b><u>REGION</u></b>	<b><u>COUNTRY</u></b>	<b><u>STOCK EXCHANGE</u></b>
<b>AFRICA</b>	<b>South Africa</b>	Johannesburg STOCK EXCHANGE
	<b>USA</b>	American STOCK EXCHANGE
		Nasdaq
		New York STOCK EXCHANGE
<b>EASTERN EU</b>	<b>Czech Republic</b>	Prague STOCK EXCHANGE
	<b>Hungary</b>	Budapest stock exchange
	<b>Poland</b>	Warsaw STOCK EXCHANGE
	<b>Turkey</b>	Istanbul STOCK EXCHANGE
<b>EURIBOR</b>	<b>Austria</b>	Vienna STOCK EXCHANGE
	<b>Belgium</b>	Brussels STOCK EXCHANGE
		Nasdaq Europe
	<b>Denmark</b>	Copenhagen STOCK EXCHANGE
	<b>Finland</b>	Helsinki STOCK EXCHANGE
	<b>France</b>	Le Nouveau Marche
		Paris STOCK EXCHANGE
		<b>Germany</b>

		Dusseldorf STOCK EXCHANGE
		Frankfurt stock exchange
		Frankfurt stock exchange (DAX)
		Hamburg STOCK EXCHANGE
		Munich STOCK EXCHANGE
		Stuttgart STOCK EXCHANGE
		Xetra (Germany)
	<b>Italy</b>	Milan STOCK EXCHANGE
	<b>Luxembourg</b>	Luxembourg STOCK EXCHANGE
	<b>Netherlands</b>	Amsterdam STOCK EXCHANGE
	<b>Norway</b>	Oslo STOCK EXCHANGE
	<b>Portugal</b>	Lisbon STOCK EXCHANGE
		Mercado Continuo Portuguese- Interbolsa
	<b>Spain</b>	Madrid STOCK EXCHANGE
		Mercado continuo (espanol) SA - Spanish CATS
	<b>Sweden</b>	Stockholm STOCK EXCHANGE
	<b>Switzerland</b>	Berne STOCK EXCHANGE
		Swiss STOCK EXCHANGE
		Virt-X
	<b>UK</b>	London STOCK EXCHANGE (SETA-SEAQ, SEAQI)

The orders of the clients are transferred to the cooperating banks electronically, through the order routing service of the BLOOMBERG provider. In specific cases (specific conditions of shares trading, failure to send the order through Bloomberg because of a computerization problem etc.) the orders may be transferred by telephone or other expedient medium (e-mail, fax).

The Bank maintains the right to use an alternative financial house as intermediate in the transactions of clients in foreign shares, as alternative administrator of transactions or as electronic system for the entry of orders. It also maintains the right to become a member to any organized financial market. In any case Emporiki Bank is obliged to inform the client, with a plausible means, of any such change.

### 7.3. DERIVATIVES IN THE ATHENS STOCK EXCHANGE

The Bank is a member of the derivatives market of the Athens Stock Exchange and General Clearing Member of the ETESEP. The Bank offers to its clients the possibility of trading in all derivative products listed on the Athens Stock Exchange. The entry of the orders is carried out through the Integrated System of Electronic Transactions (ISET) provided by the Athens Stock Exchange.

## **7.3.1. Derivative Types**

### **7.3.1.1. a) Futures**

The Futures are agreements between buyer and vendor and regard the purchase of a good (commodity, financial indicator, share, interest rates, bond, exchange etc.) on a pre-set future date at a pre-set price and quantity.) As regards derivatives negotiable in organized markets, they are contracts standardized in size and expiration date, which determine the delivery and acceptance of the underlying products through a clearing house. This standardization makes them more fluid, eradicates the negotiation cost between the two parties and also minimizes the risk of the counterparty not fulfilling his obligations, since the clearinghouse is the mediator.

The buyer of a future (long) undertakes the obligation to buy the product at a pre-set quantity and price on a particular future date, the expiration date.

The vendor of a future (short) undertakes the obligation to sell the underlying good at this pre-set quantity and price on the same date.

#### **7.3.1.1.1. Key future features.**

- Underlying – It is the transaction good
- Transaction unit
- Contract Size – (multiplier)
- Price – It is the price agreed upon on the transaction date, at which price the transaction will be realized on the future date
- Expiration/Delivery Date – It is the day on which the transaction will be realized.

### **7.3.1.2 Options**

There are two types of options, the calls and the puts.

The buyer of a call (long call) has the right, but not the obligation, to buy the underlying at the pre-set price and quantity on the pre-set date or during a pre-set period. The vendor of a call (short call) has the obligation to deliver the underlying, if chosen by the buyer, on the terms of the agreement.

The buyer of a put (long put) has the right, but not the obligation, to sell the underlying at the pre-set price and quantity on the pre-set date or during a pre-set period. The vendor of a put (short put) has the obligation to buy the underlying, if chosen by the buyer, on the terms of the agreement.

In order either to have the right to sale or purchase the underlying, the buyer must pay a price. This price, called premium, is received by the vendor of the right for the obligation he undertakes. The rights can be compared to an insurance coverage, which the insured realizes on the payment of a price (premium) and with the intention to use it, if necessary.

There are two main types of options. The European type options, which may be exercised (the buyer may demand purchase or sale) only on the expiration date, and the American type options, which may be exercised on any moment from the transaction time to the expiration date. Obviously since an American type option gives the buyer greater flexibility, the premium will be higher than for the respective European type option.

#### **7.3.1.2.1. Main features of the Options**

- Underlying - It is the transaction good
- Size – It is the quantity of a good that corresponds to an option

- Delivery Date – It is the date on which the transaction will be realized.
- Strike Price – It is the price for which the call buyer has the right to purchase and the put buyer the right to sell the underlying.
- Premium - It is the amount the buyer of a right pays to the vendor in order to acquire the option.

#### 7.3.1.2.2. Positions of Options

POSITION	ANTICIPATION OF THE PROGRESS OF THE UNDERLYING
Long Call	Rising
Short Call	Steady, Slightly Falling
Long Put	Falling
Short Put	Steady, Slightly Rising

#### 7.3.1.3. Special Products of Delivery Purchase in the Athens Stock-Exchange

##### 7.3.1.3.1. Contract of sale of shares with Repurchase agreement Stock Repo

The medium- or long-term investor has the right to lend his shares, selling to the Investment Company of Transactions in Derivatives Clearance (ETESEP) the titles he holds receiving in exchange the participation in eventual profits from the interests accumulating by further lending of his shares.

Upon “lending” of his shares the titles are transferred from the Dematerialized Securities System account of the investor to the account of the ETESEP. This results in loss of possession of the shares for this period, and therefore the investors who have lent their shares should be careful, in case the transfer of the shares from their account consists a reason for loss of eventual rights arising from possession of the shares.

## 7.4. DERIVATIVES IN ORGANIZED FOREIGN MARKETS

The transactions in organized foreign derivatives markets on behalf of clients are performed by the Bank through an electronic system (internet based platform) provided by UBS Investment Bank, with whom a relative cooperation contract has been signed. Clearance of your transactions in foreign derivatives is realized by UBS Investment Bank.

All financial obligations and claims of the client from foreign derivatives are in euro, irrespective of the currency of negotiation of the product. The conversion of the claimed exchange is performed by UBS in a price that is not known in advance. This conversion may bring either profit or loss to the client.

The Bank offers to its client the possibility of transactions in foreign derivatives traded in the following *stock exchanges*:

- Chicago Board Options Exchange (CBOE)
- Chicago Board of Trade (CBOT)
- Chicago Mercantile Exchange (CME)
- GLOBEX
- EUREX
- LIFFE
- MATIFF

*The products for which a transaction can be realized are:*

- Bond Futures
- Equity Index Futures
- FX Futures
- Index Options
- Bond Options

The Bank maintains the right to use an alternative financial house as intermediate in the transactions of clients in foreign derivatives. It also maintains the right to become a member to any organized financial market or regulated market or multilateral trading facility (MTF). In any case the Bank is obliged to inform the client by an expedient means of any such change.

## **7.5 TRADING OF CORPORATE BONDS**

The Bank may mediate in the purchase, disposal and management of the following categories of bonds:

### **7.5.1. Depending on the issuer:**

- Government Bonds
- Corporate Bonds
- Supranational Bonds

### **7.5.2. Depending on the issuer's credit rating:**

- Investment Grade (>BBB-/S & P, >Baa3/Moody's)
- Below Investment Grade

### **7.5.3 Depending on the currency:**

- Domestic
- Eurobonds

### **7.5.4. Depending on the interest rate and the coupon payment:**

- Fixed Interest Rate
- **Variable Interest Rate**

### **7.5.5. Depending on other criteria:**

- Callable Bonds
- Sinking Bonds
- Perpetual Callable Bonds
- Bonds on interest rate according to the indicator

CMS - constant maturity swap (indicator available for monitoring only to dealers)

- Target Redemption Notes (bonds with the possibility of early termination since the accumulated amount has reached or exceeded the pre-specified target cap)
- Range Accrual Callable Notes (bonds with coupon payment, which satisfies specific prerequisites, for example an interest rate of 5% if the 3month Euribor is <4.50%)
- Snowball Notes (bonds of variable interest rate. The interest rate is fixed at an initial period, while later on the interest rate is calculated upon a predetermined formula based on the previous interest rate and on reference indices (eg. 3month Euribor. 3month Euribor.

## **8. INCREASE IN EQUITY**

Participation on behalf of clients to increases in equity of companies listed in organized markets.

## **9. PUBLIC OFFERS OF SHARES**

Participation on behalf of clients to public offers of shares of companies for their introduction to organized markets.

## **10. ASSUMPTION OF SERVICES AS ADVISOR / CONTRACTOR.**

The Bank provides to enterprises services as Advisor or/and as Contractor for the primary and secondary introduction to the markets of A.S.E., for companies' privatization through introduction to A.S.E. for redemptions and merging as well as for issuance of convertible or exchangeable bonded loans or Warrants.

## **11. ADVISORY SERVICES FOR ENTERPRISES**

The Bank provides advisory services to companies for issues concerning:

Corporate Valuations, acquisitions or assets Take -Over, mergers sells, spin - offs & divestments, as well as services of strategic alliances and privatizations - securitizations (through strategic investors).

## **12. ORGANIZATION OF BONDED AND SYNDICATED LOANS.**

Services concerning restructuring of companies' balance sheet, organization of syndications, bonded loans (simple, convertible, exchangeable, progr. medium-term bonded issues). Also, advices and organization of High Yield Bonds is provided , US P.P.S and Eurobonds., advices and organization of securitization, and services on the evaluation of the credit rating to companies that are interested in raising funds from the international capital market.

## **13. RECEIPT OF DIVIDENDS**

The receipt of dividends on behalf of Clients is performed by the Bank both for registered as well as for bearer shares of its Clients, according to the applied legislation.

## **14. PORTFOLIO MANAGEMENT**

The Bank offers to its clients the portfolio management service, provided that a relative contract is signed by the Bank and the client. In this case the client assigns to the Bank the management of his capitals in cash, financial products and other titles deposited in a particular account. The terms and conditions of this management, including the investment strategy that will be followed, will be mentioned in detail in the portfolio management contracts.

## 15. INVESTMENT ADVICE

The Bank offers to its client the investment advice service, the terms and conditions of which consist the object of a specific agreement between them. Where the Bank operates as an investment advisor the client makes himself the investment decisions he considers appropriate for the management of his capitals and gives the relative instructions to the Bank.

## 16. MUTUAL FUNDS

The Bank offers to its clients, except all other products offered, those of mutual funds, according to the mutual funds regulation. The mutual funds offered by the Bank to its clients are the following:

- **HERMES DYNAMIC:** the investment purpose of this mutual fund is the achievement of high performances in a long-term perspective, investing mainly in the Greek financial market. It is addressed to investors who accept the intense market fluctuations aiming to significant capital gains.
- **HERMES PROTOPOROS:** the investment purpose of this mutual fund is the achievement of high performances in a long-term perspective, investing mainly in the Greek financial market. It is addressed to investors who accept the intense market fluctuations aiming to significant capital gains.
- **HERMES BALANCED:** the investment purpose of this mutual fund is performances higher than those of deposit products by creation of income and capital gains. It is addressed to investors who desire to be placed in a balanced portfolio investing in the Greek capital and financial market while undertaking medium investment risk.
- **HERMES INCOME:** the investment purpose of this mutual fund is the maintenance of capital in a long-term perspective through investments in Greek State bonds, bonds of issuers of high credit rating and deposit products. It is addressed to long-term conservative investors desiring to be placed in the Greek bond market expecting income and secondarily capital gain performances.
- **HERMES BALANCED FUNDS OF FUNDS** : the investment purpose of this mutual fund is performances higher than those of deposit products by creation of income and capital gains. Regular redistribution of shares, bonds and cash. It is addressed to investors with medium-term investment perspective and balanced profile, who desire active management in specialized mutual funds.
- **HERMES SHORT-TERM PLACEMENTS:** the investment purpose of this mutual fund is the acquisition of income mainly from interest and bonds of high credit rating. It is addressed to short-term investors aiming at fixed performances higher than the deposits and having as primary objective the assurance of their capital.
- **HERMES EUROPEAN (Foreign equity):** It is addressed to investors desiring to be placed in a portfolio of selected equity traded in the European markets expecting high performances in a long-term period and undertaking an increased investment risk.
- **HERMES U.S. TECHNOLOGY (Foreign equity ):** It is of increased investment rate and is addressed to investors desiring to invest on a long-term basis on technology shares, mainly in the American market.

- **HERMES VALUE PLUS** : the investment purpose of this mutual fund is the achievement of income mainly by bonds of high credit rating and of deposit interests. It is addressed to short-term investors aiming at fixed performances higher than the deposits and having as primary objective the assurance of their capital.

Further than all the above mutual funds, the Bank offers to its clients many other similar products of the parent company CREDIT AGRICOLE.

## **17. GUARANTEED CAPITAL FUNDS**

The general characteristics of the investment products of guaranteed initial capital are: a) they offer 100% guarantee of the initial capital, b) their performance is connected to the progress either of individual financial indicators or of indicators or shares basket or of exchange rates or even connected to international commodities markets, e.g. oil, gold etc., c) the guarantee of initial capital does not apply in case of their early withdrawal.

The guaranteed capital funds are an investment proposal combining the security of the simple deposit, since it guarantees the initial capital, as the investment risk and the performance depends on the progress of the connected indicator. The final performance of each product is directly connected to the progress of a particular underlying value (a financial indicator, an exchange rate etc.). This means that in order to achieve the expected performance, the pre-agreed conditions regarding the progress of the underlying value must be met.

The Bank guarantees 100% of the initial capital. It also guarantees performance, provided that the conditions relating to the progress of the underlying value, as described in the forms of special conditions for each product, are fulfilled. Moreover the Bank guarantees 97% of the initially deposited capital in case of total early withdrawal.

## **18. CUSTODIANSHIP**

The Bank may act as custodian for the financial instruments it receives from its clients or assign their safekeeping to a third party that fulfills the conditions set by the Law in order to act as custodian. The clients that place financial instruments for safekeeping to the Bank, must keep a deposit account or other type of account accepted by the Bank. When the financial instruments of the clients are kept by a third party, the Bank is not responsible for any offense or dereliction of the third party, except the cases of fraudulence or heavy negligence. In case this third party is placed in liquidation or declares bankrupt, the client is in risk of losing part of his property. When the financial instruments of a client are kept by a third party, this third party may not be in position to distinguish the financial instruments of the client from those of the Bank, according to the legislation of the country where the financial instruments are kept. In this case, if the custodian is placed in liquidation or declares bankrupt, the client is in risk of not regaining his whole property.

The client must make available to the Bank all the necessary documents required by the Public Authorities or third parties, which prove the legality of the financial instruments in his possession. In case he does not possess these documents, the Bank has the right to sell these financial instruments. All expenses related to this sale are charged to the client. The Bank is not responsible for the safekeeping or sale of such financial instruments.

## **19. INVESTMENT RISKS UNDERTAKEN BY THE INVESTOR**

### **19.1 SHARES – BONDS**

The investments in shares involve risks, which every investor should know. Consequently the investors should manage the property they invest in transferable securities cautiously and wisely because their performance is uncertain. The financial market is an area offering opportunities of profitable investment and savings management, but it is not an area of games of chance or easy riches. The cautious conduct of investors is to their interest and to the interest of the capital market and the economy. The frequent price fluctuations are affected by many factors and investors must learn to protect themselves from rumors and bad advisors. The most common risks to which investors are exposed are the following:

#### **19.1.1. Market risk**

It is the risk of reduction of the value of an investment because of changes to the drivers that form the value of the market and are briefly described as follows:

- *the* financial risk or system risk is the risk of drop of the prices of all shares, regardless of financial results because of an unforeseen and extreme event (war, earthquake etc.)
- *the* interest rate risk or risk of interest rate change: the increase of the interest rates increases the cost of the already existing company loans, reducing their net profit while obstructing the grant of new investment loans
- *the* commodities (raw materials) risk, that is the risk of changes to the commodities prices (such as oil, metals) which can increase the product prices and therefore the expenses of the companies using raw materials transferring the cost to the consumer, encumbering inflation and therefore the competitiveness of the economy
- *Country Risk or Political Risk*: it is the risk caused by events happening in the same or other countries (political instability etc.) resulting to damage to the company itself or to subsidiary companies with their headquarters in other countries; to various infrastructure types; or to other investment types affecting its financial data.

#### **19.1.2. Risk of Share Selection**

More particularly the selection or non-system risk is related to the selection of a share, which may not have the expected result. The main reasons are the non-satisfactory financial results of the company and the absence of share tradability which leads to lock-in of capitals and eventual rapid drop of its price. There is also the risk of suspension of trading of a share for reasons included in the ASE regulation.

#### **19.1.3. Counterparty risk**

There is the possibility of a small risk that the settlement of transactions in financial instruments will not be smoothly completed, especially if the counterparty does not pay or deliver the titles on time, thus not fulfilling his obligation for the clearance of transactions.

## **19.2. Derivatives**

This text includes the main but not all risks regarding derivative products, and also the important aspects of derivative products. You should not transact in these products if you do not fully understand their nature or the prolonged exposure to risk. You should also be certain that the product is appropriate as investment choice and that it is proportionate to your experience, goals, financial situation and other relative factors. The Bank, as is its obligation, will help you in this direction.

In any case, the Investor should be aware of the basic principle that the expected performance is proportionate to the investment risk he undertakes.

### **19.2.1. Futures**

#### **19.2.1.1. Leverage**

The transactions in derivatives involve a great degree of risk. The initial amount deposited is small compared to the value of futures, so that transactions present the phenomenon of “leverage”. A relatively small movement of the market will have a proportionately greater impact on the capitals already deposited or the capitals you will be requested to deposit. The leverage may operate either in your favor or at your expense. In case the market moves against your position, or the required deposited capitals increase, you will be called to pay extra amounts in order to retain your position. Στην case που η purchase, market κινηθεί εναντίον της positions που έχετε πάρει, or τα απαιτούμενα κατατεθειμένα capital αυξηθούν, θα κληθείτε να πληρώσετε επιπλέον amount προκειμένου να διατηρήσετε τη positions σας. In case you do not meet this requirement within the time limit set, your position will be liquidated and you will be charged with any eventual extra loss.

#### **19.2.1.2. Orders and strategies for risk mitigation.**

The registration of particular orders (e.g. “stop-loss”, “stop-limit” orders) aiming at mitigating the risk up to certain limits may not function efficiently in case the market moves in such a way that the performance of such orders is impossible. Strategies using combinations such as “spreads”, or “straddle” may be equally risky as a simple long or short position.

#### **19.2.1.3. OPTIONS**

The transactions in options involve a high degree of risk. The buyers and vendors of options should be familiar with the types of options (put or call) they negotiate, and also with the risks involved in them. They should calculate the price over which the option acquires value, having regard to the premium and the transaction costs.

The buyer of an option may close out his position, exercise the option or leave the option to expire. The exercise of the option results either to financial settlement or to purchase of the underlying product. If it is a future option, the buyer will acquire a position in a future, with all the consequent obligations (see previous paragraph). In case the option expires without value, he will have a total loss equal to the premium of the contract plus the transaction cost. If the purchase regards options deep-out-of-the-money he must know that the profit probabilities are minimum.

The sale of an option involves greater risk than a purchase transaction. Although the premium received by the vendor is pre-set, it is possible that he is exposed to greater loss from the premium size. The vendor will be required to deposit extra amounts in order to keep his position in case the market moves against him.

Furthermore the vendor is exposed to the risk of exercise of option on behalf of the buyer and in this case he is obliged either to pay the claim of the buyer or to deliver the underlying product. In case the underlying option title is a future, the vendor of the option acquires a position in the futures market with the relative deposit obligations (see previous paragraph). The exposure to risk may be limited in case the option vendor possesses the underlying title of the option.

### 19.3 Mutual Funds

Mutual funds do not have guaranteed yields and previous performance yields do not secure a similar one in the future. Except this main principle regarding mutual funds, investment in mutual funds involves many other risks, such as indicatively:

- (1) **market risk:** the risk of drop of the prices affects negatively the price of the dividend, 2) **credit risk:** the risk of an issuer of transferable securities, on which the mutual fund is invested, failing to fulfill his obligations,
- 3) settlement risk,** the risk that the settlement of the transactions in financial instruments will not be completed smoothly especially if the counterparty does not pay in money or does not deliver titles on time, in order to fulfill his obligation for the transaction clearance,
- (4) Liquidity Risk:** the risk of failure to liquidate the assets of the mutual fund on time and at reasonable price,
- (5) custodianship risk,** : the risk of loss of assets of the mutual fund because of actions or omissions of the custodian, or even because of fraudulence in case the custodian or any third person assigned with the safekeeping of the mutual fund assets is rendered insolvent,
- 6) dispersion risk:** the risk arises from the limited dispersion of the mutual fund assets,
- 7) risk of assets reduction:** the risk related to the reduction in the mutual fund assets, either because of takeover or cancellation of its dividends, or because of distribution of dividends whose value is bigger than the profits achieved during the fiscal year,
- (8) inflation risk:** the risk related to reduction of the mutual fund performance in fixed prices because of the increase of the general indicator of consumer prices,
- (9) country risk:** : the risk related to the institutional and regulatory framework of the country where the mutual fund assets are invested,
- (10) exchange risk:** the risk that the mutual funds assets valuation will be affected due to fluctuation of the exchange rates.

### 19.4 Exchange Sales

The investments in transferable securities listed on foreign markets, or in contracts in exchange subject to constant risk of change of the exchange rate in case the negotiation is realized in currency different than the single currency of the EU (EURO).

The profit or loss of transactions of contracts in exchange will be affected by the fluctuations of the exchange rates in the cases where the conversion from one currency to another is necessary.

## 20. REMUNERATIONS AND OTHER CHARGES

### 20.1. ASE SHARES

#### 20.1.1. Transactions commission (escalating)

- For transactions (purchase/sale) of the amount of 0.01 € - 15,000 ⇒ 0.55%
- For transactions (purchase/sale) of the amount of 15,000.01 € - 55,000 € ⇒ 0.45%
- For transactions (purchase/sale) of the amount of 55,000.01 € - 100,000 € ⇒ 0.35%
- For transactions (purchase/sale) of the amount of 100,000.01 € ⇒ και άνω 0.30%
- Minimum commission per 10 € tag (regards 0 € - 1.820 € tags)
- For **intra-day** transactions (purchase and sale of shares of the same company at the same quantity on the same day) the commission rate is set at 0.25% per tag.
- For strictly **intra-day** transactions commission per tag 4.55 € (regards 0 € - 1.820 € tags)
- For electronic transfer of orders (e-trader) the commission rate is set at 0.25% per tag with minimum commission per tag 4,55 €.
- The Maximum Transactions Commission of clients through cooperators amounts to 0.55% and for intra-day transactions 0,30% with minimum commission per tag 30 € and 10 € respectively.

#### 20.1.2 Other charges

- An extra service remuneration of 10.00 € is charged in two installments, 5,00 € per semester (Charge on 30/6 and 31/12 of each year).
- In case of data search in Equity Brokerage Division archive, the following is charged:

TYPE OF SERVICE	COMMISSION RATE	MINIMUM AMOUNT	MAXIMUM AMOUNT
Data provision by the record (upon case)			
During the 12 months	1€ page	10€	30€
During the last 13-24 months	1€ page	30€	50€
Over the 24 months	1€ page	50€	100€
The above will be charged with the relevant postal expenses according to the Bank's invoice			

## 20.2 A.S.E. Derivatives

	FUTUR ES FTASE2 0	FUTURE S FTSEM/ mid40	Options FTASE20	Options FUTURES FTSEM/mid4 040	FUTURES on shares	SL- SB	Delivery Commissi on Receipt	Options on Shares
Opening/ Closing Purchase	14 €	14 €	4 € +1.8% of the transaction value	4 € +1.8% of the transaction value	0.50% of the transaction value	4% of the income		4 € +1% of the transactio n value.
Intraday	7 €	7 €	4 € +1.8% of the transaction value	4 € +1.8% of the transaction value	0.50% of the transaction value	-		4 € +1% of the transactio n value.
H.E.S.A.	1.2 €	1 €	1 €	0.5 €	Depends on the share and ranges between 0.3 – 1.5 €	2% of the income	Depends on the share and ranges between 0.12 – 1.25 €	

The HESA commissions are subject to regular revisions. For further information you could consult [www.adex.ase.gr](http://www.adex.ase.gr) or address the Emporiki Bank's Equity Brokerage Division

## 20.3 SHARES IN FOREIGN STOCK EXCHANGES

### 20.3.1 Broker Commissions

- 0.10% - 0.60% of the transaction value
- 0.03 USD per share for transactions in U.S.A. shares
- Minimum tag: 30 EUR, 18.5 GBP, 150 DKK, 30 USD, 30 CHF, 155 NOK

### 20.3.2 Commissions of Liquidator – Custodian

- 0.08% of the transaction value
- Minimum tag: 15 EUR, maximum tag 75 EUR

### 20.3.3 Emporiki Bank Commissions

- 0.32% - 0.82% of the transaction value
- 0.15%- 1% for transactions in U.S.A. shares
- Minimum tag: 10 EUR

It is specified that particularly regarding your transactions in U.S.A. shares and because of the specific commission charges in the U.S.A. markets (fixed price per share), for transactions in share of small current value (<5\$), the commission may be of levels much higher than 1%.

The final commission is always charged to the client in euro. The time of conversion of the exchange in euro, as well as the price of purchase and sale of exchange will be set by the transaction liquidator or the Bank itself and the current exchange rate at the conversion time.

#### 20.4 Foreign Market Derivatives

Country	Market	Product	Currency	Commission Broker	Emporiki Bank Commission
Germany	EUREX	Euribor Futures and Options Contracts	EUR	2.00	18.00
Germany	EUREX	2/5/10 yr. Euro-Bund Futures & Options Contracts	EUR	2.00	13.00
UK	LIFFE	Euribor Futures and Options Contracts	EUR	3.00	
USA	CBOT	US Treasury Bond and Note Futures & Options Contracts	USD	3.15	11.85
USA	CME	FX & INTEREST Rate Futures & Options	USD	3.75	26.25
France	MATIF	CAC-40 (10E) Index Futures & Options Contracts	EUR	3.00	12.00
Germany	EUREX	DAX Index Futures Contracts	EUR	3.00	27.00
Germany	EUREX	DAX Index Futures Contracts	EUR	3.00	10.50
Germany	EUREX	DJ EURO Stoxx 50 Futures & Options Contracts	EUR		11.50
UK	LIFFE	FTSE-100 Index Options Contracts	EUR	3.50	15.00
UK	LIFFE	FTSE-100 Index Options Contracts	GBP	3.00	15.00
USA	CME	Midcap200/Midcap 400/Nasdaq 100 Futures & Options	USD	6.00	24.00
USA	CME	S&P Futures & Options Contracts	USD	5.00	24.00
USA	CME	Mini S&P/ Mini Nasdaq 100 Futures & Options Contracts	USD	4.00	16.00
USA	CBOT	S&P Futures & Options Contracts	USD	5.00	14.00
USA	CBOT	Mini Dow Jones Futures & Options Contracts	USD	4.00	11.00
USA	CBOE	S&P 100 Index Options	USD	5.00	25.00

USA	CBOE	All Other Index Options	USD	5.00	25.00
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The commission is charged in Euro, independently the trading currency. The conversion of the exchange rate is held on a daily basis by the cooperating house and is defined exclusively by it.

## 20.5 Details on the remunerations/commissions/taxes to be charged

- **Tax on Sales of ASE and foreign Shares**

Rate 0.15% of the transaction value

- **On the Transfer of Shares**

Rate 0,06% of the transaction value

- **ASE Expenses**

Rate 0.015% of the transaction value

- **Orders expenses**

0.06€ per order

- **Interest rates for arrears**

Interest rates for arrears are charged, as determined by the Bank of Greece.

- **Credit rates (Margin, T+3)**

In purchase of shares on credit (Margin Account and T+3) an interest rate of 9.25% is charged for the granted credit.

- **Purchases in the United Kingdom (UK)**

0.50% stamp duty on the transaction value

- **Purchases in South Africa**

0.25% on the transaction value (only in case of purchase of shares)

- **Tax on Foreign Shares Dividend**

20% of the net amount of the dividend, which has already been taxed at the source. The tax on dividends differs according to the country where the share is traded. In any case, before your activity in foreign markets you should require independent specialized tax advice.

- **Expenses of Foreign Dividends Exercise**

Fixed amount in euro, equivalent to 0.75 GBP per trading unit plus the expenses of each stock exchange.

- **Expenses of Physical Delivery of Dividends**

Fixed amount in euro, equivalent to 5 GBP per trading unit plus the expenses of each stock exchange.

- **Interest rates of Foreign Derivatives Sub-Account**

The cooperating house charges the Bank monthly, on behalf of its client, with eventual red interests, in case of negative Net Equity, which amounts to LIBOR+ 75 bps.

- **Mediator remuneration**

The remunerations of mediators depend on the cooperation contract between the Bank and the cooperator, and range between 0.55% - 0.80% of the repayment of the commission to the cooperator, depending on the amount of his transactions.

Particularly for the ASE derivatives market, the mediation remunerations depend on the cooperation contract between the Bank and the cooperator, and may be, depending on the product, either a fixed price per contract (1.2 € - 9.8 €), or a rate of the transaction value ( 0.15%- 1.26%) or a combination of the two.

#### **20.5.1 Portfolio Management – Investment advice**

The annual commission for the Portfolio Management and Investment Advice services is calculated on the basis of the investments structure, the amount of the managed capitals and the type of contractual relation with the client. It is received on a monthly basis, calculated with the investment values of each client's portfolio, as they are assessed on the last working day of each month. The commission on the Portfolio Management service is charged with 19% VAT, which is charged to the client. Furthermore, transaction commissions are received depending on the product / type of investment. For Receipt and Transfers of Orders services, only transaction commissions depending on the product are received.

#### **20.5.2 Generally on commissions etc.**

The cost and commissions of other investment services not mentioned in detail above, are agreed with the client in advance and according to each case.

The Bank bears no responsibility for any taxes, rights of third parties or other charges that may be charged to the above offered services and products, and which will be charged to the client.

The Bank maintains the right to change the above pricing policy, announcing it to the client in time before the change by publishing it in the website [www.emporiki.gr](http://www.emporiki.gr) or directly with any expedient means of communication mentioned in paragraph 18.

### **21. INFORMING CLIENTS**

The client is informed by the Bank on his actions either directly, if his order is executable, or by fax or e-mail, if he has required it, or by "telephone" immediately after the end of the meeting or on the next day before the beginning of the meeting, at the latest.

The Bank sends to the Investor during the first ten (10) days of the month a letter by post, in which it communicates in detail all the transactions that took place in execution of his orders, eventual debit or credit balance in money that may be kept on his behalf and eventual Greek or foreign shares managed by the Bank on this day. This information is sent only when the Investor has realized an activity in his account on the month the information concerns. In any case the Bank sends to the Investor, on 30<sup>th</sup> June and 31<sup>st</sup> December of each year, a written communication with the composition of his portfolio and his financial position.

Regarding purchase of shares on credit (margin account) the Bank sends to the Investor within ten (10) days from the beginning of each month a letter by post, informing the Investor of his transactions and the activity of the Credit Account, the data of the Security Portfolio during the previous month and the valuation of the Security Portfolio on the last day of the period which the information concerns. The Bank within ten (10) days from the closing of the Account sends to the Investor, on 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December of each year an excerpt from its books reflecting the activity of the Account during this semester and the balance at the periodic closing of the Account.

Particularly regarding the derivative products of the ASE and according to the HESA regulation, the client receives in any case and on a daily basis, a detailed report of his actions, positions and balance.

For his transactions in foreign derivatives, the client receives on a daily basis a detailed statement produced by the cooperating house and sent to the client by the Bank.

The competent Bank Division engaged in the clients' portfolio management sends to the clients a Statement with the value in euro and the portfolio composition (by investment type and currency) on the last working day of each calendar month. Furthermore, a detailed distribution of titles by investment type and detailed activities of titles and financial flows for the particular period are sent. This statement is sent every month to portfolio management and investment advice clients and every quarter to receipt-transfer of orders clients.

## **22. SAFEKEEPING OF CLIENTS' ASSETS (FINANCIAL INSTRUMENTS AND CAPITALS)**

The Bank states that it fulfills its legal obligations for the distinction of the assets kept for each client separately from any account of other clients either of its own assets or of the assets of a third party where an account of the client is kept. This statement applies without prejudice to paragraph 15 (custodianship).

In the Bank's books are kept, on behalf of the Investor, accounts of cash and securities, updated by the Bank. The Greek titles are registered on the name of the investor and are kept on the Dematerialized Securities System (D.S.S.) of the H.E.S.A. and are handled by the Bank. The foreign titles are in the name of the investor and are kept at Bayerische HYPO \_und Vereinsbank, Munich siege, and are handled by the Bank.

Except what is mentioned above and particularly for transactions in derivative products, the Client acquires a specific financial account of clearance of transactions in derivative products listed on the ASE, in the Bank's books and in the H.E.S.A, in his name, in order for the Bank to be able to clear through the Integrated System of Electronic Transactions (ISET) the actions of the derivative products listed on the ASE on behalf of the Client. At the same time, by opening a code, the client authorizes the Bank to open an Insurance Margin Account, according to the Law and blocked in favor of the H.E.S.A. to which he has a legal pledge. This account regards only the clearance of transactions in the ASE derivatives market, and the required, as insurance margin, capitals of the client are kept there. The investor authorizes the Bank, as H.E.S.A. member, to realize activities in this account pursuant to the provisions of L. 2533/97, and also in accordance with the investment services contracts regarding transactions in ASE derivatives market that he will sign with the Bank.

## **23. EXECUTION OF ORDERS – BEST EXECUTION**

According to the Law, the Bank is obliged to take any plausible measure in order to achieve, when executing orders, the best result for the client having regard to the price, cost, speed, possibility of execution and settlement, volume, nature and any other factor regarding the execution of the order, either when it executes an order for the client directly, or when it transfers the order to others for execution. This obligation for the achievement of the best possible result for the clients will be referred to as obligation of **Best Execution**.

### **23.1 Best Execution Criteria:**

In order for the Bank to determine the weight of the above mentioned factors, it takes into account the following criteria:

- the client's characteristics, including his classification,
- the characteristics of the client's orders,
- the characteristics of the financial instruments consisting the order's object,
- the characteristics of the places of execution where the order may be sent to.

### **23.2 Execution of clients' orders:**

During execution of clients' orders, the Bank:

- ensures that all the orders executed on behalf of clients are directly and precisely registered and allocated,
- executes the comparable orders of clients directly and
- in the chronological order it receives them, except if the characteristics of the order or the conditions of the market do not allow it, or if the client's interest require a different handling
- informs the client of any substantial problem that may affect the correct execution of the order, immediately after it becomes aware of this problem.

### **23.3 In case there are particular instructions by the client, the Bank executes the order according to these instructions, provided that it is allowed by the Law.**

The Bank receives every plausible measure in order to ensure that the clients' financial instruments or funds, which it receives for the settlement of the executed order, are directly and precisely registered in the account of the beneficiary client.

The Bank does not make illegal use of the information regarding pending orders of its clients and takes every plausible measure in order to avoid illegal use of this information by covered persons.

Every year the Bank reviews the policy of execution of orders, which has been established in accordance with the Law, as well as the regulations it applies for the execution of orders. The Bank reviews the policy of execution of orders, as well as the regulations it applies for the execution of orders every time a substantial change takes place which affects the ability of the Bank to continue to achieve the best possible result at constant basis when executing orders.

## **24. CONFLICT OF INTERESTS**

Commercial Bank Group offers a broad range of financial services and products.

The Bank observing the possible cases of conflict of interests that might arise during provision of its investment and subsequent services, or by the combination of these, between the interests of the client and the interests of the Bank (including Directors, employees, third persons etc.) or with the interests of another client has established internal procedures on the basis of which it is in position to identify and handle the above cases. These procedures include organization and administration measures for the protection of clients.

The policy of conflict of interests and the procedures of implementation will be specifically developed in the contractual texts, regarding the provided services and the products of the Bank.

## 25. TIED AGENTS

According to the Law, today as tied agents of the Bank are considered the following:

- UBS Investment Bank
- CHEUVREUX
- BAYERISCHE HYPO und VEREINSBANK
- Credit Agricole SA (Luxemburg, Swiss etc