

## **Group Policy on Transactions on BoC Financial Instruments by Persons in Possession of Inside Information (Market Abuse)**

### **1. PURPOSE**

The purpose of this Policy is to ensure that the Group adheres to appropriate standards when handling inside information to prevent market manipulation of BoC financial instruments. This Policy sets out certain general principles in order for the Group to comply with the legal and regulatory framework regarding insider dealing (inside/privileged information) and market abuse and to protect:

- the reputation of the Group as an issuer of financial instruments, and
- the persons possessing inside information for the Group.

The market conduct regime is derived from the European Union Market Abuse Regulation (Regulation (EU) No 596/2014 (MAR)). The MAR applies to:

- (a) Financial Instruments admitted to trading on a regulated market or for which a request for admission to trading on a regulated market has been made;
- (b) Financial Instruments traded on an MTF, admitted to trading on an MTF or for which a request for admission to trading on an MTF has been made;
- (c) Financial Instruments traded on an OTF; and

any other Financial Instrument, the price or value of which depends on or has an effect on the price or value of a financial instrument referred to in points (a) to (c) above, including, but not limited to, credit default swaps and contracts for difference.

Appendix A to the Policy sets out a table of roles and responsibilities that have been identified in relation to implementing this Policy. Appendix B sets out the definitions of key terms used in this Policy.

### **2. SECTORS AFFECTED**

The Policy applies throughout the Group as well as to persons who have access to inside information because they provide professional services to the Group. Any listed company of the Group must, as a minimum, meet the requirements of this Policy.

### 3. POLICY –GENERAL PRINCIPLES

All reasonable measures are taken in order to:

- Prepare, maintain and update effectively the Insider List, with the names of persons that have access to inside information with regard to BoC Group, as these are defined in the relevant laws and regulations. The criteria for inclusion in each and every list should be well documented in a written detailed procedure and implemented accordingly. Specifically, the Insider List, as per MAR Article 18(3), should include the following:
  - (a) the identity of any person having access to inside information;
  - (b) the reason for including that person in the Insider List;
  - (c) the date and time at which that person obtained access to inside information; and
  - (d) the date on which the Insider List was drawn up.
- Draw up, maintain and update a list of all PDMR and their PCA.
- Inform in writing all the persons on the Insider List of their duties and legal obligations as well as the sanctions they may face should they violate them.
- Ensure that PDMR notify their PCA about their personal obligations in writing and keep a copy of such notifications.
- Ensure that persons who may possess inside information in relation to BoC or their PCA obtain prior approval to execute a transaction in BoC financial instruments. In relation to this responsibility when the CEO receives an application for approval for a personal transaction (on a pre-specified form) is responsible to:
  - Evaluate the application and respond in writing with approval or rejection based on pre-defined criteria; and
  - Keep proper archives for all applications and approvals granted.

The Chairperson of the Board of Directors shall not carry out transactions in BoC financial instruments unless he previously informs, in writing, the Vice Chairperson of the Board of Directors and obtains a written approval.

The CEO shall not carry out transactions in BoC financial instruments unless he previously informs, in writing, the Chairperson of the Board of Directors and obtains a written approval.

The Group in order to adhere to appropriate standards sets as a condition that any person requesting approval to execute a transaction in BoC financial instruments must not, at the time of the application, be in possession of inside information relating to the Group.

- Ensure that the necessary procedures are in place for the PDMR within the Group and their PCA to duly notify the Bank of their transactions so that the Bank can proceed to make a relevant announcement on their behalf, once a total cumulative threshold amount of €5.000 has been reached within a calendar year, no later than 3 business days after the date of the transaction.
- Implement as a matter of prudence, a cooling-off period of at least three months where a person previously in possession of inside information has changed his/her duties/office/services to the Group and no longer is (unless there are any other matters that justify a longer cooling-off period), whereby the person will remain on the Insider List and will continue to have certain responsibilities and restrictions in relations to transactions in BoC financial instruments. Once this cooling-off period elapses the person will automatically be removed from the Insider List.



Before that person is removed from the Insider List all reasonable measures are taken to confirm in writing that he/she no longer has access to inside information in relation to BoC.

- Inform all the holders of inside information and through them their PCA, about the start and the end of the `closed periods`, as defined by legal framework.
- Retain personal data (relevant to this policy) for a period of at least five years.
- For Group projects that entail inside information the Business Owner (as per the Enterprise Portfolio and Project Management Handbook) has ultimate responsibility to ensure that all project participants (external and internal, including control functions) are included in the Insider List. Therefore, the Business Owner (at Divisional level) should notify CD accordingly to update the Insider List and apply the relevant procedures.

- Inside Information about listed Companies other than BoC:

BOC employees, from time to time, as part of their specific duties may be given access to inside information about another listed company or group of companies (e.g. one of the Group's customers or suppliers). In such cases they must not deal in the securities of that company or group of companies until the inside information has been disclosed to the public. If in doubt, relevant clearance/guidance from the Compliance Function must be obtained. This is clearly stated in the BOC Dealing Code. Furthermore, in certain Divisions (e.g. Corporate Division, Restructuring & Recoveries Division etc.) and/or Group subsidiaries restricted lists are maintained with the names of those customers with publicly traded securities for which Group directors and employees have access to inside information. All such employees should be informed that they (including their related parties) must not deal in the securities of those companies if they are in possession of inside information and it is their personal responsibility to comply with this principle. Such restricted lists are maintained by the relevant Local Compliance Officer and reviewed by the CD on an annual basis and ad-hoc if deemed necessary.

- Reputational risk in cases of non-compliance will be assessed and depending on their severity and the penalties they carry relevant measures will be set in place to take into account the impact on the capital adequacy and liquidity of the Bank.

#### 4. REGULATORY FRAMEWORK AND DEFINITIONS

The Group adheres to all key requirements of the Market Abuse Regulation including the principles of the UK regulatory framework.

In detail, the regulatory framework that governs this policy is as follows:

- (a) Regulation (EU) No. 596/2014 on market abuse (“**MAR**”).
- (b) The guidance on MAR set out in the Market Conduct and the Disclosure Guidance and Transparency Rules sections of the UK Financial Conduct Authority Handbook.
- (c) The London Stock Exchange's Admission and Disclosure Standards for securities admitted or seeking to be admitted to trading, which requires full compliance with MAR.
- (d) The Cypriot legal framework implementing the revised Market Abuse Directive (MAD II), i.e. Market Abuse Law of 2016 (L.2016 (I)/2016) and Criminal Sanction for Market Abuse Law of 2016 (L.136 (I)/2016).

Key definitions are given in Appendix B of this Policy.

## 5. ROLES & RESPONSIBILITIES

All roles and responsibilities for the implementation of this policy are explicitly stated in Appendix A and relevant procedures have been put in place.

## 6. SUPPORTING CODES AND PROCEDURES

The Group, in order to facilitate compliance with MAR and the above described regulatory framework, issued the following:

- i. The current Policy (Group Policy on transactions on BOC financial instruments by persons in possession of inside information (Market Abuse)).
- ii. A Group-Wide Dealing Policy that is communicated to all employees as an introduction about their responsibilities. This alongside with the relevant glossary forms part of the existing Code of Conduct of BOC Group.
- iii. A Dealing Code that is directly addressed to all persons in possession of inside information with all relevant documentation.
- iv. A Dealing Procedures Manual for the use of all Divisions responsible for the implementation and management of the Group's procedures as these are defined in the market abuse policy.
- v. The Group Policy for Disclosure of Inside Information.

In addition to the above, detailed written procedures are in place for the implementation of this policy.

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**APPENDIX A -ROLES & RESPONSIBILITIES**

For the purpose of this Policy, the following major Roles & Responsibilities have been identified:

<p>Chairperson of the Board of Directors</p>	<p>When the Chairperson receives electronically an application (on a pre-specified form) for approval of a personal transaction on BoC financial instruments by the Vice Chairperson, the CEO or their PCA, he/she is responsible to:</p> <ul style="list-style-type: none"> <li>• Evaluate the application and approve or refuse accordingly based on the pre-defined criteria and inform them accordingly. Any approval granted should be valid for a specific period of time.</li> <li>• Keep proper archives of all applications and licenses granted; and</li> <li>• Retain personal data for a period of at least five years.</li> </ul> <p>The Chairperson and any of his/her PCA shall apply to the Vice Chairperson of the Board of Directors for approval for a personal transaction on BoC financial instruments.</p>
<p>Vice Chairperson of the Board of Directors</p>	<p>When the Vice Chairperson receives electronically the application (on a pre-specified form) for approval of a personal transaction on BoC financial instruments by the Chairperson of the Board of Directors or any of his/her PCA, he/she is responsible to:</p> <ul style="list-style-type: none"> <li>• Evaluate the application and approve or refuse accordingly based on the pre-defined criteria and inform them accordingly. Any approval granted should be valid for a specific period of time.</li> <li>• Keep proper archives of all applications and licenses granted; and</li> <li>• Retain personal data for a period of at least five years.</li> </ul>
<p>Board of Directors</p>	<p>The Board of Directors is responsible for oversight of the Group`s compliance with this policy.</p>
<p>CEO</p>	<p>The CEO and any of his PCA shall apply to the Chairperson of the Board of Directors for approval for a personal transaction on BoC financial instruments.</p> <p>When the CEO receives electronically the application (on a pre-specified form) for approval of a personal transaction on BoC financial instruments by any person in possession of inside information in relation to BoC or his/her PCA, other than the Chairperson, the Vice Chairperson and their PCA, he/she is responsible to:</p> <ul style="list-style-type: none"> <li>• Evaluate the application and approve or refuse accordingly based on the pre-defined criteria and inform them accordingly. Any approval granted should be valid for a specific period of time.</li> <li>• Keep proper archives of all applications and licenses granted; and</li> <li>• Retain personal data for a period of at least five years.</li> </ul> <p>Additionally, the CEO has the final responsibility to implement and ensure adherence to this policy throughout the Group, and to impose remedial action when deemed necessary.</p> <p>The CEO`s Office shall liaise with CD, in order to provide the necessary information for the updating of Insider List.</p>



<p>CD</p>	<p>CD is responsible to:</p> <ul style="list-style-type: none"> <li>• Inform the person in possession of inside information on BoC financial instruments that his/her name has been included in the Insider List, as soon as he/she is recognised as an insider. This is performed by sending to him/her the Dealing Code, explaining with this his/her duties and legal obligations as well as sanctions which he/she may face in the event of violation of such compliance duties.</li> <li>• Prepare, maintain and timely update the Insider List of persons in possession of inside information on BoC financial instruments.</li> <li>• Draw up, maintain and update a list of all PDMR and their PCA.</li> <li>• Keep proper archives of the relevant lists and personal data and maintain for at least five years.</li> <li>• Submit these lists to the Authorities as and when requested.</li> <li>• Inform the interested parties regarding the start of the 'closed periods'.</li> <li>• Maintain an updated list with the relevant legal and regulatory framework regarding market abuse and insider dealing.</li> <li>• Liaise with CEO Office and other Divisions who have specific knowledge of key critical projects that may lead to market abuse challenges.</li> <li>• Prepare/update written procedures for the implementation of this policy.</li> <li>• Receive electronically notification (on a pre-specified form) for the execution of a personal transaction on BoC financial instruments by a PDMR and/or his/her PCA.</li> <li>• Notify Investor Relations Department upon receipt of such notification.</li> <li>• Submit the transactions of a PDMR and the transactions of a PCA with a PDMR to the relevant regulatory bodies, no later than 3 business days after the date of the transaction, once a total cumulative threshold amount of €5.000 has been reached within a calendar year.</li> </ul>
<p>Line Directors</p>	<p>The Line Directors have the ultimate responsibility and accountability for adherence to this Policy within their Divisions.</p>
<p>Human Resources Division</p>	<p>The Human Resources Division is responsible to notify changes in the Management Team and changes of other personnel working in certain Divisions/Units/Departments having direct or indirect access to inside information.</p>
<p>Investor Relations Department</p>	<p>The Investor Relations Department:</p> <ul style="list-style-type: none"> <li>• Provides support for the implementation of detailed procedures.</li> <li>• Submits the transactions of a PDMR and/or his/her PCA to the required by the regulatory framework communication channel/mechanism, no later than 3 business days after the date of the transaction.</li> </ul>



<p>Person/entity in possession of inside information</p>	<p>Each person:</p> <ul style="list-style-type: none"> <li>• Ensure the CD is informed as soon as they come in possession of inside information.</li> <li>• Acknowledge in writing their obligations as per Dealing Code/MAR, provided to them by the CD.</li> <li>• Submit an explicit statement confirming that the firm maintains relevant procedures and is in compliance with MAR (for regulated entities such as financial institutions, consultancy firms etc.).</li> </ul>
<p>Business Owner (as per the Enterprise Portfolio and Project Management Handbook) of a project which entails inside information</p>	<p>Each Business Owner:</p> <ul style="list-style-type: none"> <li>• Liaise with CD on critical projects that may lead to market abuse challenges and the inclusion of persons in the Insider List.</li> <li>• Informs in advance the project participants that CD will be communicating with them and requiring immediate response and commitment.</li> <li>• Informs project participants that following their involvement in the project and their access to inside/privileged information for BoC, their names will be included in the Insider List held by BoC and they will be requested to disclose in writing their acknowledgment on their Market Abuse obligations and restrictions as per the BoC Dealing Code.</li> <li>• Is responsible to liaise with advisors for any delays/disputes with regards to the submission of the relevant acknowledgements as per the BoC Dealing Code.</li> </ul>

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## APPENDIX B -DEFINITIONS

For the purpose of this Policy, the following key definitions have been identified:

### BoC Securities

For the purpose of this Policy, the following are considered securities:

- (i) Shares and other securities equivalent to shares;
- (ii) Bonds and other forms of securitized debt; or
- (iii) Securitized debt convertible or exchangeable into shares or into other securities equivalent to shares.

### Market Abuse

For the purpose of this Policy, the following acts are considered Market Abuse/Market Manipulation:

- (a) the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
- (b) the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
- (c) the placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in paragraph 1(a) or (b), by:
  - (i) disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so;
  - (ii) making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilization of the order book; or
  - (iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;
- (d) the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;
- (e) the buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held pursuant to Regulation (EU) No 1031/2010 (Timing, administration and other aspects of auctioning of greenhouse gas emission allowances) with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.





## **Financial Instruments**

For the purpose of this Policy, financial instrument means a financial instrument as defined in point (15) of Article 4(1) of Directive 2014/65/EU.

## **Inside Information**

For the purpose of this Policy, Inside Information means information of a precise nature (as defined in the Market Abuse Regulation) which has not been made public, relating, directly or indirectly, to a Group Member or to one or more BoC Securities, and which, if it were made public, would be likely to have a significant effect on the prices of those BoC Securities.

## **Information which has been made public**

For the purpose of this Policy, Information shall be deemed as having been 'made public' when there occurs one, or more of the following situations:

- i. in any way comes into the knowledge of the investors, inside or outside the Republic, or it may be easily and legally obtained,
- ii. it is included in archives or other documents by statute available to the public for inspection,
- iii. it has been derived from inside information that has been made public even if it may be obtained on the basis of information made public only by persons exercising special diligence or expertise or it may be obtained on the basis of information made public only as a result of special observation or estimation.

## **Information of a precise nature**

For the purpose of this Policy, Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to do so and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments.

## **Inside Information that must be published**

For the purpose of this Policy, Inside Information that must be published includes:

- i. any substantial information relating to the issuer capable of assisting its shareholders and the public at large to make the best possible assessment of the situation and evaluation of the securities, so as to avoid price fluctuation of the securities not justified by the assets, the profits and the issuers' prospects, or a false impression regarding the extent of the investment interest or the investment activity connected with these securities and
- ii. any new development of major importance in the domain of his activities which is not publicly known, and which may, because of its effects on the assets and his obligations or his financial situation or the general progress of his activities cause a substantial price fluctuation of his securities, or in the case of listed financial instruments, cause a substantial price fluctuation thereof or substantially affect the issuer's ability to meet his obligations.

**PDMR**

For the purpose of this Policy, PDMR means a person discharging managerial responsibilities in respect of the Group Member, being either:

- (a) a director of the Group Member or
- (b) a senior executive of the relevant Group Member who is not a director but who has regular access to Inside Information and the power to make managerial decisions affecting the future developments and business prospects of the Group Member.

**Person closely associated (PCA) to a person in possession of inside information in relation to the issuer**

For the purpose of this Policy, the following is considered a PCA to a person in possession of inside information in relation to the issuer:

- i. The spouse or any partner of that person considered by Cyprus law as equivalent to the spouse.
- ii. According to Cyprus law, the dependent children.
- iii. Other relatives, who have shared the same household as that person for at least one year on the date of the transaction concerned.
- iv. Any legal person, trust or partnership-
  - (a) whose managerial responsibilities (i.e. holding a senior executive position, e.g. CEO) are discharged by a person in possession of inside information in relation to the issuer or by persons referred to in paragraphs i-iii above, or any other form of close relationship (i.e. of a non-executive nature like non-executive directorships), provided that any of these closely related legal persons, trusts or partnerships:
  - (b) is directly or indirectly (e.g. through controlling shareholding or veto rights with regard to business plans, budgets and strategies) controlled by a person referred to in subparagraph (a) above, or
  - (c) is set up for the benefit of a person referred to in subparagraph (a) above, or
  - (d) whose economic interests are substantially equivalent (e.g. directly/indirectly controlling the economic interest in investment decision making, employment strategy, awarding of contracts, purchases, leases, sales or other similar matters) to those of a person referred to in subparagraph (a) above.

**Closed Periods**

For the purpose of this Policy, the following are considered closed periods:

- (a) the period from the end of the relevant financial year up to the release of the preliminary announcement of the annual results or, if longer than 30 calendar days, the period of 30 calendar days before such release,
- (b) the period from the end of the relevant financial period up to the release of the half-yearly financial report or, if longer than 30 calendar days, the period of 30 calendar days before such release and
- (c) if quarterly financial results, or management statements or any other form of a report are announced, the period of 30 calendar days immediately preceding the announcement of the quarterly results or, if shorter than 30 calendar days, the period from the end of the relevant financial period up to and including the time of the announcement.



The date when the announcement is made is the end date for the thirty-day closed period. When the beginning of the thirty-day closed period is a non-business day (e.g. weekend or banking holiday), the period is extended accordingly.

## **Prohibited period**

For the purpose of this Policy, prohibited period means any period during which any person (both PDMRs and non-PDMRs) in possession of inside information in relation to the issuer or his /her PCA shall be prohibited to carry out transactions in an issuer`s titles. More specifically, a prohibited period means the following:

- i. Any closed period;
- ii. Any period during which there is any matter that constitutes inside information regarding the issuer`s financial instruments, regardless of whether the person who may possess inside information in relation to the issuer knows this matter or not; and/or
- iii. Any period during which the person responsible for granting a licence for the conclusion of the transaction has reasons to believe that the proposed transaction is carried out in contravention of MAR.

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