



# CONFLICTS OF INTEREST POLICY





**GREENWORLD**

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# BACKGROUND AND CONTEXT

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## INTRODUCTION

### WHAT IS THE PURPOSE OF THIS POLICY?

As a financial institution, **Greenworld Bank** and its employees may encounter conflicts of interest during the performance of its various activities for its clients and suppliers. In line with Greenworld Bank's Code of Conduct, **GREENWORLD BANK** aims to have adequate governance arrangements in place that enables the bank to effectively identify and to prevent or manage its conflicts of interest.

This policy gives general requirements and insight into the organizational and administrative arrangements that **Greenworld Bank** has in place to identify and to prevent or manage its conflicts of interest.

The policy supports **Greenworld Bank** in its efforts to effectively identify, assess, manage and mitigate or prevent from happening any actual or potential conflict of interest.

Herewith **Greenworld Bank** complies with local and international laws and best market practices.

### WHAT IS THE SCOPE OF THIS POLICY?

This policy applies to **Greenworld Bank** and all its subsidiaries, branches, representative offices and legal entities that are under its control (together referred to as '**GREENWORLD BANK**' or '**the Bank**'), unless explicitly stated otherwise. It applies everywhere, for all locations, roles and seniority levels.

This includes members of the Management Body of **Greenworld Bank** (i.e. members of the Executive Board, Executive Committee and Supervisory Board, including executive and non-executive members of equivalent bodies of **Greenworld Bank** subsidiaries).

In a country or office that may have stricter rules, local rules should be followed.

## BACKGROUND

### INTRODUCTION

**Greenworld Bank** offers a variety of financial services to a vast scope of clients globally and interacts with numerous suppliers and other third-parties. This can give rise to conflicts of interests potentially affecting the interests of our clients, of our suppliers or other third-parties, of the bank or improperly influencing the performance of employees' duties and responsibilities or could compromise the employee's impartiality, objectivity or independence.

## DEFINITIONS AND EXAMPLES

### WHAT IS A CONFLICT OF INTEREST?

A conflict of interest is any situation in which a person or organization is involved in an interest (financial or other) which could adversely influence the motivation or decision-making of that person or organization to act in the best interest of the clients or the bank. This could adversely affect the interests of the clients or the Bank. Note that all references to clients in this policy also refer to potential clients.

Conflicts of interest may take various forms. They can be:

- actual – involving a direct, materialized, conflict of interests;

- potential – involving likely future conflicts of interest; or
- perceived – not involving an actual conflict but only the perception of a conflict of interest.

Conflicts of interest may be business-related or personal.

### **BUSINESS-RELATED CONFLICTS**

Business-related conflicts may arise as a result of the structure and different activities of the bank's businesses or companies. The following are business-related conflicts of interest:

- Conflicts between the interests of the bank and those of the client.
- Conflicts between the interests of one client and those of another client.
- Conflicts between the interests of the bank and those of third parties (e.g. suppliers, vendors or business partners).

### **PERSONAL CONFLICTS OF INTEREST**

Personal conflicts of interest are those between the interests of a person working for **Greenworld Bank** (or any of its subsidiaries) and the interests of the Bank or the client.

Those conflicts of interest may arise because of financial, social, political, family or other personal interests or loyalties that interfere with the professional responsibilities of those working for **Greenworld Bank**. They may also arise not only from present but also from past personal or professional relationships.

Personal conflicts of interest can not only apply to our staff, but also to the interests of their closest family members, when conflicting with the interests of our clients or the interests of **Greenworld Bank**.

### **EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST**

In a financial institution offering a variety of financial services to its clients, potential conflicts of interest may arise in different departments, throughout the organization. Some areas or activities of concern are:

- an employee deciding to engage, on behalf of **Greenworld Bank**, an entity to which the employee has personal interests;
- the provision of independent investment research to market investors on securities issued by corporate clients of the bank;
- a bank with proprietary trading in securities issued by corporate clients of that bank;
- corporate finance advisory services to a client taking over another client of the bank;
- debt advisory services to a client that is also a borrower to the bank;
- personal account dealing conducted by persons working for **Greenworld Bank** who have access to inside information of corporate clients;
- an employee of **Greenworld Bank** receiving a gift that may impair their professional judgement in a way that conflicts with the interests of **Greenworld Bank**;

- an employee of **Greenworld Bank** having an external role in an organization that might create a conflict of interest with the duties - responsibilities that the employee has towards **Greenworld Bank**.

## IDENTIFYING CONFLICTS

Each of **Greenworld Bank's** Global Businesses is required to consider the types of potential Conflict relevant to the specific services and activities they carry out.

For example, potential Conflicts are considered when:

- Developing a new product;
- Establishing or amending any cross-referral, revenue sharing or joint venture arrangements; or
- Transferring businesses, activities or operations (or parts thereof) to another part of the firm.

When potential Conflicts involve clients, the assessment also takes into account whether the Group and - or any employee:

- Is likely to make a financial gain or avoid a financial loss at the expense of any client;
- Has an interest in the outcome of a service provided to a client, or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interest of one client (or group of clients) over another;
- Carries on the same business as the client; and - or
- Receives or will receive an inducement in relation to a service provided to the client from a person other than the client.

**Greenworld Bank** maintains internal registers, documenting and evaluating all identified potential Conflicts. These registers also record the controls in place to prevent or manage each type of Conflict, and are subject to regular oversight and review by Greenworld Bank senior management.

## PREVENTING OR MANAGING CONFLICTS

Greenworld Bank structures the remuneration, deployment and management of employees in a way that minimizes Conflicts.

Conflicts clearing procedures ensure that, where necessary, potential Conflicts are escalated and managed before Greenworld Bank is committed to a transaction.

In some cases, Greenworld Bank will consider declining to act for one of more clients. For example, if:

- A Conflict is too great;
- Confidentiality obligations prevent adequate disclosure (see **Disclosure**, below); and - or
- Informed consent cannot be obtained, or is an insufficient control to manage a Conflict.

A dedicated **Conflicts Management Office**, reporting to the **Regulatory Compliance Department**, is the point of escalation for significant Conflicts, and resolution of cross-business Conflicts brought to its attention. Written reports on the services and activities reflected in the Registers of Conflicts are presented to senior management of the firm at least annually.

## DISCLOSURE

Greenworld Bank may make general disclosures to clients about certain types of potential Conflicts, explaining how such Conflicts are managed (for example, through separation of businesses or measures to prevent unauthorised sharing of confidential information) to mitigate the risk of damage to clients' interests. However, where Greenworld Bank has used all reasonable efforts to prevent or manage a Conflict, but the risk of damage to a client interests remains, a specific disclosure about the presence of a Conflict will be made to the client. Specific disclosures will be made prior to the conclusion of a contract, in a durable medium, and include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision.

## EMPLOYEES

**Greenworld Bank** requires its employees to apply good judgement and act with integrity, taking all appropriate steps to:

- Avoid personal Conflicts (for example, in their personal account dealings); and
- Proactively escalate personal Conflicts that do arise.

No employee is permitted to advise a client on any matter in which they have a personal interest, nor take commercial decisions on behalf of the Group if those decisions are connected to their personal or external business affairs until steps have been taken to satisfactorily manage the Conflict.

## HOW GREENWORLD BANK DEALS WITH CONFLICTS

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**Greenworld Bank's** organizational structures are designed so that behavior that could lead to Conflicts is not incentivized or rewarded. Where necessary, **Greenworld Bank** restricts the flow of information to certain employees in order to protect its clients' interests. Greenworld Bank has procedures in place to:

- Identify all types of potential Conflicts that could reasonably arise in the context of its activities;
- Maintain registers of all potential Conflicts identified;
- Prevent or manage Conflicts on an ongoing basis;
- Disclose Conflicts where appropriate; and
- Maintain evidence of all occurrences of Conflicts that cannot be managed.

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### GREENWORLD BANK WILL DO EVERYTHING IN ITS POWER TO PREVENT AND MANAGE CONFLICTS

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