

PROCEDURE ON TRANSACTIONS WITH RELATED PARTIES

This procedure defines the terms and conditions for the transactions with parties related to the Bank.

According to the Law on Banks and Banking the following persons are considered to be as related parties:

- a) Managers of the Bank
- b) Persons having significant interest in the Bank
- c) Persons interrelated and/or cooperating with Bank managers and/or persons having significant interest in the Bank
- d) Persons interrelated with the Bank

Transactions with Bank staff and Board members

Transactions with Bank staff and Board members shall be conducted in accordance with the terms and conditions stipulated by Bank Employee Handbook (Section: Banking Benefits and Staff Loan Policy).

Transactions with related parties (other than Bank staff members and Board members)

Transactions with related parties (other than Bank staff members and Board members) shall be conducted at preferential market rates at the date of transaction. Such transactions have to be approved by the respective authorized manager of the Bank. For the purposes of this Procedure preferential market rates are the rates which are better than market rates at the date of transaction and are offered to the Bank customers on exceptional bases.

Transactions with related parties conducted outside the scope of this Procedure shall be approved by the Board.