

ING Commercial Banking Conflicts of Interest Policy

[Bulgaria]

Purpose

As you are a client of ING Bank N.V.¹ conducting business with ING Commercial Banking, we are committed to the relationship we have with you. We undertake to conduct business with you in a way which is honest, fair and professional in accordance with your best interests. One of the ways we do this is to have regard to the conflicts of interest that may arise through our business activities, where such conflicts may adversely affect you.

Under EU legislation - the Markets in Financial Instruments Directive 2004/39/EC - we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest. To help achieve this we have put in place the ING Commercial Banking Conflicts of Interest Policy.

This document provides you with the key information on the ING Commercial Banking Conflicts of Interest Policy that you will need in order to understand the measures we are taking to safeguard your interests.

Conflicts of Interest – What are they?

A conflict of interest is a conflict that arises in any area of our business in the course of us providing you with a service which may benefit us (or another client for whom we act) and may adversely affect you.

Conflicts may arise between:

- the interests of ING and the interests of a customer or group of customers;
- the interests of a customer or group of customers and the interests of another customer or group of customers; and
- the interests of ING and/or its customers and the interests of an employee or group of employees.

Some of these conflicts may arise merely because ING Group is involved in a broad range of business activities with different customers. Others may arise because of the specific circumstances of particular business activities.

Applicable Conflicts of Interest for ING Commercial Banking and examples

We have identified potential conflicts of interest that exist in our business in order to put in place measures to monitor, manage and control the realisation of those conflicts. Potential conflicts of interests may arise through the interaction of the different capacities in which we act. We have identified the following roles that we play as potentially giving rise to conflicts of interest:

ING Interests

- ING's role as trader
- ING's role as investor
- ING's role as underwriter
- ING's role as advisor on securities issues on behalf of issuers or vendors of securities
- ING's role as advisor on business such as corporate finance transactions, securitisations and lending
- ING's role as lender or provider of other financing facilities
- ING's role in executing security transactions on behalf of customers on an agency or matched principal basis
- ING's role in writing independent research
- ING's interest in obtaining a satisfactory outcome for transactions on which it is advising
- ING's interest in obtaining new business
- ING's interest in maintaining satisfactory relations with existing clients.

Customer Interests

- Customer's interest as investor in securities/products
- Customer's interest as trader of securities/products
- Customer's interest as borrower or recipient of financing facilities
- Customer's interest as depositor or provider of financing facilities
- Customer's interest as user of services/facilities provided by ING
- Customer's interest as transaction principal
- Customer's interest as recipient of advice
- Customer's interest as recipient of research
- Customer's interest as subject of research.

¹ ING Bank N.V. in this document stands for any legal entity (or branch thereof) providing MiFID related services

Employee Interests

- Employee's interest in performing his/her role
- Employee's interest in generating business
- Employee's interest in achieving objectives/targets
- Employee's interest in status, remuneration and bonus
- Employee's interest in own investments
- Employee's interest in external businesses/activities.

The following is a non-exhaustive list of examples of situations where conflicts may arise

- Where ING trades with its clients using positions in securities which it holds on its proprietary book;
- Where ING trades its proprietary positions in a security when at the same time it has information about potential future client orders in relation to that security;
- Where ING provides investment research in relation to an entity or group to which it also provides corporate finance advisory services;
- Where ING provides corporate finance advice to clients who are direct competitors of one another;
- Where ING has provided corporate finance advice to one corporate client and subsequently, when that corporate client becomes a target for a bid, ING also seeks to act for the bidder;
- Where one of the employees of ING engages in personal account dealing in respect of securities and ING has a client with an interest that potentially conflicts with such dealing;
- Where ING provides advisory and financing services to one client in respect of a bid and seeks to provide financing services to another client in respect of the same bid;
- Where ING is the syndicate agent for a financing arrangement for a client and ING's corporate finance team is looking to advise either that client as acquirer or another firm targeting that client;
- Where ING has information in relation to distressed assets and ING trades proprietary positions in those assets;
- Where substantial gifts and entertainment (including non-monetary gifts) are received that may influence ING's behaviour in any way that conflicts with the interests of the clients of ING.

Conflicts of Interest – How we manage them

For each conflict that we have identified, we have put in place measures to manage, control and prevent its potential adverse impact upon you, appropriate to the type of conflict in question. For any particular conflict of interest one or more of the following measures may be adopted as required:

a. Independence Policy

ING Commercial Banking has adopted a policy that each department and its staff should act independently insofar as the interests of their respective clients are concerned.

b. Decline to Act

When we are already acting for one customer, it may be inappropriate for us to undertake business for another customer if we are not in a position to manage the conflict of interest on a reasonable basis or are precluded from doing so by a legal or regulatory constraint.

c. Chinese Walls

To control access to material, non-public information, a series of "Chinese Walls" have been erected within ING Commercial Banking to prevent the potential or perceived misuse of such information.

d. Conflicts Procedures

Conflicts of Interest Procedures have been implemented within ING Commercial Banking to manage actual or potential conflicts of interest.

e. Disclosure

Where a potential conflict of interest is identified a normal precondition for adopting conflict management measures is that the respective customers are informed that ING may have conflicting interests (or that we are not acting exclusively for you). You may then decide whether or not to continue on this basis. This disclosure may be made verbally or in writing.

f. Client Consent

Where there is a verbal agreement with you concerning conflicts of interest, a record of this will be kept.

Further information

The ING Commercial Banking Conflicts of Interest Policy shall be reviewed at least annually and any material amendments will be notified to you via our webpage www.ingcommercialbanking.com/mifid.

Please contact the ING Commercial Banking CDD Team (email: CDUDeskBratislava@ing.sk) should you require further information on the ING Commercial Banking Conflicts of Interest Policy.