



**ALPHA ASSET
MANAGEMENT M.F.M.C.**

Remuneration Policy of Alpha Asset Management M.F.M.C.

Version 3

2023

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1. General Framework of Remuneration

1.1 Preamble

The Remuneration Policy (the “**Policy**”) sets the remuneration framework of Alpha Asset Management M.F.M.C. (the “**Company**”) and applies to all Staff under a contract of dependent employment.

The Policy has been prepared in accordance with:

- **Greek Law 4920/2022, as in force**, which has transposed **Directive 2019/2034/EU** into Greek law;
- **Greek Law 4099/2012**, as in force, on Undertakings for Collective Investment in Transferable Securities (hereinafter “UCITS”);
- **Law 239/2010 of the Grand Duchy of Luxembourg (Mem. A 2010)**, as in force, on UCITS;
- **Directive 2009/65/EC** for regulations and administrative provisions relating to undertakings for UCITS;
- **Directive 2014/91/EU** for remuneration policy;
- **European Banking Authority (EBA) Guidelines on sound remuneration policies under Directive (EU) 2019/2034 and disclosures under Article 451 of Regulation (EU) No 2033/2019 (EBA/GL/2021/13)**;
- **Delegated Regulation 2021/2154** setting out the Regulatory Technical Standards on the identification of staff whose professional activities have a material impact on the risk profile of investment institutions or the assets they manage (Material Risk Takers, MRT);
- Provisions of labor law at national level.

The Policy is aligned with the Remuneration Policy of the Alpha Bank S.A. (the “**Bank**”) and the other Companies of the Banking Group¹, to ensure consistency on a consolidated basis.

1.2 Objectives

The Policy establishes the appropriate framework to attract, retain and motivate highly-qualified Staff. In this context, the remuneration strategy represents a key enabler for the creation of value, favoring long-term sustainable results over short-term solutions.

¹ Banking Group means the Alpha Bank S.A and its Subsidiaries, including the Branches of the Bank which operate in Greece and in countries abroad, according to the applicable legislation.

To ensure competitiveness, transparency and fair remuneration, the Policy aims to:

- Support motivation, retention and fair treatment of all staff;
- Advance a culture of inclusion based on equal opportunities and non-discrimination;
- Respect climate related and environmental risks;
- Set clear and transparent governance;
- Align with the values, business strategy, objectives and long-term interests of the Company, the Funds it manages and the unitholders;
- Promote sound and effective risk management.

2. Governance of the Remuneration Policy

The Remuneration Policy's governance model aims at ensuring the clarity and reliability of decision-making processes by calibrating the overall remuneration practices and ensuring that decisions are made in an independent, informed and timely manner at appropriate levels. The model is also focused on preventing conflicts of interest, assuring the appropriate disclosure and respecting the general principles defined in the applicable legislative framework. The key functions involved in this process are the following:

2.1 Corporate functions

i. Human Resources function

The Group Human Resources function is the key stakeholder, as it is responsible for designing the remuneration structure, the remuneration levels, and the incentive schemes, so as to attract, retain and motivate highly qualified Staff.

ii. Risk Management function

The Group Risk Management function provides assistance and information on the definition of suitable risk-adjusted performance measures (including ex post adjustments) and assesses how the Variable Remuneration structure affects the risk profile of the Company.

iii. Compliance function

The Compliance function analyzes how the Policy affects the Company's adherence to the applicable regulatory framework, to internal policies and to the risk culture. Additionally, the Compliance function supports the Group Human Resources function when assessing the

staff identified as Material Risk Takers², validating the respective list and retaining an annual record.

iv. Legal Services function

The Group Legal Services function verifies the applicable regulatory framework.

v. Role of the Internal Audit function

The Group Internal Audit function reviews annually the Policy and its implementation and reports findings based on their risk assessment in relation to compliance with the regulations.

2.2 Remuneration Committee

The Remuneration Committee, acting at a Banking Group level, ensures consistency of the Policy with the Remuneration Policy of the Bank and the other Companies of the Banking Group and focuses on the respective remuneration principles and practices, the structure and governance of the incentive programs.

2.3 Board of Directors of the Company

Taking into consideration input from all the involved functions, the Company's Board of Directors periodically reviews and approves the Remuneration Policy and is responsible for overseeing its implementation.

Moreover, the Board oversees and approves any material exemptions from or amendments to the Policy.

3. Components of Remuneration

Total remuneration consists of a fixed and a variable component. Both fixed and variable components are gender neutral and transparent.

² In order to identify the persons whose professional activity has a material impact on the risk profile of the investment firm, in accordance with Delegated Regulation 2022/2154, the Company, has developed an identification process as per the Banking Group guidelines.

3.1 Fixed Remuneration³

Fixed Remuneration (considering all mandatory provisions under national law and the Collective Labor Law Agreements) includes:

- The base salary (according to the national law);
- The role-based Supplement;
- The Defined Contribution Savings Plans⁴ / Institution or Occupational Retirement Provision (IORP)⁵;
- Other fixed components assigned, based on standard rules.

Fixed Remuneration is determined and paid based on pre-defined and not discretionary criteria. It reflects primarily the relevant experience of the Staff, considering the educational level, the experience, the seniority, the level of expertise and the skills as well as the role and the nature of business (job evaluation).

In order to remain competitive and in line with market practices, insights from remuneration surveys conducted by external consultants are considered in the framework of Fixed Remuneration.

3.1.1 Benefits

Staff are entitled to benefits and reimbursement of corporate expenses, in line with market practices, which are determined by the Benefits and Corporate Expenses Policy of the Banking Group, as amended and updated from time to time, and are subject to the applicable legislation.

The range of benefits to which the staff may be entitled includes but is not limited to benefits for all (i.e life and health insurance) and to corporate expenses that are only allocated to specific job positions to cover operational needs (i.e mobile phone, corporate car, transportation expenses).

³ Fixed Remuneration set out in Title II Paragraph 7 subparagraphs 126 and 128 of the EBA's Final Report on Guidelines on sound remuneration policies under Directive 2019/2034/EU, 22 November 2022 (EBA/GL/2021/13) ("EBA's Guidelines").

⁴ Defined Contribution Savings Plans are considered Fixed Remuneration, as they are not based on performance and are consistently granted to either all Staff or to a category of Staff, in accordance with local market practice and the company objectives.

⁵ In 2023 a Plan is introduced, governed by Directive (EU) 2016/2341 on the activities and supervisions of institutions for occupational retirement provision (IORP II Directive, transposed into Greek legislation with Law 4680/2020) and operates under the supervision of the following regulatory authorities: the Ministry of Labour and Social Affairs, the National Actuarial Authority and the Hellenic Capital Market Commission.

3.2 Variable Remuneration⁶

The key objectives of the variable component of Remuneration are to:

- Act as a key driver of motivation and retention of Staff;
- Recognize achievements by directly linking pay to performance outcomes, focusing on sound risk management, in order to guarantee sustainable performance in the medium- and long-term.

Staff performance is evaluated based on the principles of the Performance Management Framework that applies at the Banking Group level and incorporates quantitative as well as qualitative targets in a balanced scorecard system.

Variable Remuneration is aligned with the Company's Business Strategy and the stakeholders' interests, is based on the Variable Remuneration Framework that applies at the Banking Group level and its award should not affect negatively the financial sustainability of the Company.

3.2.1 Variable remuneration elements

To achieve the above objectives, a performance-oriented program is in force that promotes the long-term targets of the Company. It is based on the principle of equal treatment, facilitates collaboration among individuals and business units and encourages top performance alongside prudent risk management.

The Group Performance Incentive Program is linked to Key Performance Indicators (KPIs). The criteria/conditions which, if fulfilled, will lead to the payment of the variable remuneration are the following:

- Criteria for the Company's financial performance, which include but are not limited to, the achievement of specific financial targets, including KPIs relating to the Company's Business Plan as updated from time to time;
- Non-financial performance criteria that may relate, for example, to the compliance with the Company's risk-taking strategy or to the adherence to the risk management policy;
- Criteria linked with corporate social responsibility and/or wider ESG-related goals, related to the actions and initiatives that the Company may be developing;

⁶ Variable Remuneration remains at the absolute discretion of the Company to grant it and it can be freely, partly or fully revoked at any time unilaterally by the Company.

- Criteria associating behaviors to the Values of the Group.

The assessment of the criteria, the process of the Performance Incentive Program as well as the award of the variable remuneration in cash and in other share-linked instruments are regulated by the Group and the Group Regulations, while the Company's Board of Directors oversees and approves final allocation.

It is noted that no guaranteed variable remuneration is awarded, while it constitutes an exception applying to new Staff only and solely for the first year of employment, in accordance with the legal and regulatory framework.

3.2.2 Regulatory provisions

- Identifying Material Risk Takers

According to the applicable regulatory framework, the categories of staff whose business activities have a material impact on the Company's risk profile shall, at least, include:

- all members of the Board of Directors and Senior Management;
- staff members with managerial responsibility over the Company's control functions or material business units;
- staff members entitled to significant remuneration in the preceding financial year, provided that the following conditions are met:
 - the staff member's remuneration is equal to or greater than EUR 500,000 or is equal to or greater than the average remuneration awarded to the members of the Company's Board of Directors and Senior Management referred above;
 - the staff member performs business activity within a material business unit and the activity is of a kind that has a significant impact on the relevant business unit's risk profile.

In addition to the staff members identified under the above criteria, the identification process of Material Risk Takers takes into consideration qualitative and quantitative criteria as described in the Delegated Regulation 2021/2154, to ensure that the individual's risk profile is considered appropriately.

- Ex ante risk adjustment in the award process

The bonus pool of Variable Remuneration to be awarded is based on an assessment of performance and of the risks taken. Risk alignment is achieved by assessing risk-adjusted performance criteria (both quantitative and qualitative) versus predefined targets.

- Ratio between Fixed and Variable Remuneration

The fixed and the variable components of total remuneration are appropriately balanced.

Where Variable Remuneration is awarded, such awards should be based on the Group's, on the Company's and on the Staff's performance and should consider the risks taken. The variable components of total remuneration shall not exceed 100% of the total Fixed Remuneration.

The effective ratio should be calculated as the sum of all variable components of remuneration, divided by the sum of all fixed components of remuneration.

3.2.3 Pay out

Variable Remuneration may be disbursed in the form of cash and units or shares of the Funds⁷ managed by the Company, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments. The requirement to pay, in accordance with:

- article 23b, par. 1 point (xiii) of Greek Law 4099/2012;
- article 88, par. 1 point (i) of Greek Law 4920/2022;
- article 1, par. 2 of Directive 2014/91/EU

at least 50% of any Variable Remuneration in instruments will be applied equally to the non-deferred and to the deferred part of Variable Remuneration.

Staff are required not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Variable Remuneration is not paid through vehicles or methods that facilitate the non-compliance with the applicable legislation. Dividend and interest payments must not be used as a payment method for Variable Remuneration which would lead to a circumvention of the remuneration requirements established by the legislation.

- Deferred Payments

The Company pays Variable Remuneration to Material Risk Takers, partly upfront and partly deferred, while retaining an appropriate balance between shares, share-linked and other eligible instruments, and cash, in accordance with articles 23b of Greek Law 4099/2012 and 88 of Greek Law 4920/2022.

A deferral schedule is defined by different components:

- the proportion of the Variable Remuneration that is being deferred;
- the length of the deferral period;

⁷ Currently, Alpha Asset Management M.F.M.C. does not disburse variable remuneration in units or shares of the Funds, hence all relative regulatory provisions do not apply.

- the speed at which the deferred remuneration vests, including the time span from the end of the accrual period until the vesting of the first deferred amount.

When setting the actual deferral period and proportion to be deferred, in accordance with the minimum requirements under articles 23b, point (xiv) of Greek Law 4099/2012 and 88, point (ib) of Greek Law 4920/2022, the following parameters are considered:

- Up to 60% of the remuneration awarded to Material Risk Takers, can be paid within the year in which the allocation has been determined, and at least 40% of the Variable Remuneration component is deferred for at least four (4) years and is aligned with the nature of the business, its risks and the activities of the Staff concerned.

For Material Risk Takers, as per Law 4920/2022 (article 88 par. 4), provisions regarding deferral periods and payout in shares, share-linked and other eligible instruments may not apply when the annual variable remuneration of the individual is up to EUR 50,000 and does not represent more than one third of that individual's total annual remuneration.

- Malus and clawback

Malus and clawback arrangements are explicit ex post risk-adjustment mechanisms, where the Company itself adjusts the remuneration of the Material Risk Takers based on such mechanisms (e.g. by revoking or cancelling the cash remuneration or the instruments awarded).

The total (100%) of Variable Remuneration is subject to malus and/or clawback arrangements, regardless of the method used for payment, including deferral or retention arrangements. For the application of malus and clawback, the following criteria shall be used:

- the Staff participated in or was responsible for conduct which resulted in significant losses for the Company;
- the Staff failed to meet appropriate standards of fitness, propriety, confidentiality, conduct and consistency regarding meeting his/her obligations against the Company, including his/her debts;
- evidence of misconduct or serious error by the Staff (e.g. breach of code of conduct and other internal rules, especially concerning risks);
- whether the Company or the Funds managed subsequently suffer a significant downturn in its financial performance (e.g. specific business indicators);
- whether the Company in which the Material Risk Taker works suffer/s a significant failure of risk management;
- significant increases in the institution's or in the Business Unit's required economic or regulatory capital base;
- any regulatory sanctions which the conduct of the Material Risk Taker contributed to.

Ex post risk adjustments are always performance- or risk-related and will not be based on the amount of dividends paid or on the evolution of the unit or share of the Funds managed by the Company.

Malus and clawback arrangements can only lead to a reduction of Variable Remuneration, where appropriate. Under no circumstances can an explicit ex post risk adjustment lead to an increase of the initially awarded Variable Remuneration or, where malus or clawback was already applied in the past, to an increase of the reduced Variable Remuneration.

Malus and clawback arrangements are applied in the same way to discretionary pension benefits as to other elements of Variable Remuneration.

3.3 Remuneration of staff engaged in internal control functions

Staff engaged in internal control functions (Risk Management, Internal Audit and Compliance) are independent from the Business Units they oversee, and their remuneration is based on the objectives linked to their area of responsibility independently of the performance of the business areas they monitor.

4. Equal Opportunity

The Company is committed to providing equal opportunity in accordance with applicable local law in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. The Company's remuneration policies and practices are consistent with this commitment, they are gender-neutral and support the equal treatment of Staff, promote inclusiveness and respect diversity in general, in alignment to the provisions of the relevant European Banking Authority (EBA) Guidelines.

5. Separation Schemes

The Company as a subsidiary of the Group, with a view to enhancing its competitive advantages within the challenging European and national environment, may apply Voluntary Separation Schemes providing incentives for exiting, in the context of its organizational transformation and the renewal of its human resources. The said Schemes operate under

specific terms and conditions, considering the applicable legislation. When the applicable monetary amount foreseen therein is paid, it is:

- Subject to all tax or other contributions stipulated by law;
- Offset against any compensation stipulated by law and/or by any other cause as well as against any obligations of the Staff towards the Company and against balances from salary advances.

6. Disclosure

The Policy is reviewed annually or whenever is deemed necessary to address new needs.