EUROBANK
FMC-LUX

Policy

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Applicable to: Eurobank Fund Management Company (Luxembourg) S.A. ("Eurobank FMC-LUX" in short)

Name: **Remuneration Policy**

Responsible Unit: Group Human Resources

Purpose: The Remuneration Policy is applicable to all Eurobank Fund Management Company (Luxembourg) S.A. employees and covers their total remuneration. It aims to create a competitive remuneration framework in order to attract, engage and retain its employees.

1. Introduction

Eurobank Fund Management Company (Luxembourg) S.A ("Company") has established a Remuneration Policy that is applicable to all Company employees and covers their total remuneration. The Remuneration Policy forms an integral part of the Company's corporate governance practice and is developed in accordance with its operational model, business strategy, objectives, long-term interests of the Company as well as the long-term value creation for shareholders and incorporates measures to avoid conflict of interest.

Also, the Remuneration Policy promotes sound and effective risk management and is consistent with the objectives of the Company's business and risk strategy, corporate culture and values, risk culture, including with regard to environmental, social and governance (ESG) risk factors, long term interests of the Company and the measures used to avoid conflicts of interest and should not encourage excessive risk-taking on behalf of the Company. Changes of such objectives and measures are taken into account when updating the Remuneration Policy. The Company ensures that remuneration practices are aligned with their overall risk appetite, taking into account all risks, including climate-related & environmental risks, reputational risks as well as risks resulting from the mis-selling of products or services. The Company also takes into account the long term interests of shareholders.

Accordingly, the operating standards and mechanisms which have been adopted ensure that the levels of remuneration are directly linked to results and desired behaviors.

The Remuneration Policy has been drafted and is being implemented in accordance with L. 4261/2014, as in force, EBA Guidelines (EBA/2021/04) on sound Remuneration Policies under Directive 2013/36/EU, Commission Delegated Regulation (EU) 2021/923, the CSSF Circulars 18/698 and 10/437, the Law of 17 December 2010 as amended by the Law of 10 May 2016 which transposes the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 and Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. The principle of proportionality as defined by the ESMA Guidelines has been applied only with respect to the requirements regarding the Remuneration Committee.

The current Remuneration Policy supersedes, consolidates and replaces any other remuneration policy. There shall not be any exceptions to the Policy. Any legacy contracts should be aligned with the current Policy upon their renegotiation / renewal.

Employees falling within the scope of the Remuneration Policy:
- The individuals who have a material impact on the Company's risk profile ("Identified Staff" / "MRTs"); and
- All other staff (included in payroll)

Furthermore, the general principles of sound remuneration practices apply to the remuneration for persons working on behalf of the Company (e.g. affiliated representatives). Should the Company appoint such persons, the general principles of the remuneration policy will apply, ensuring that the payments made are not providing any incentive for excessive risk taking or the mis-selling of products.

Related policies and procedures linked to the remuneration process:
- Group Performance Management Policy
- Variable Remuneration Framework
- MRTs' Identification Procedure
- Remuneration Disclosures Instructions
- Benefits and Business Related Components Policy Framework

2. Implementation at Group Level

The basic principles and requirements of the current Remuneration Policy are aligned with the Eurobank S.A. ("Eurobank") Remuneration Policy in order to promote consistent application on a consolidated basis throughout the Eurobank Group (the "Group"), taking also into account, any other more stringent specific provisions that apply to the Company, as well as the principle of proportionality.

The remuneration requirements in the Group-wide Remuneration Policy apply, even if the implementation of the requirements set out are stricter than those imposed by the Company's applicable laws/regulations. Likewise, if the Company is subject to Directive 2013/36/EU must comply with the applicable requirements under national law if they are stricter than the requirements of Eurobank.

The non- executive members of the Eurobank's Board of Directors ("BoD") monitor the implementation of the Remuneration Policy at Group level.

3. Remuneration Policy Basic Principles

The Company has established a competitive remuneration framework in order to attract, engage and retain its employees. The Remuneration policy of the Management Company has been designed in order to be (i) consistent with and to promote sound and effective risk management, (ii) stimulate behaviour consistent with climate-related & environmental and sustainability risks approach, as well as (iii) comply with Company's voluntary commitments. Its basic principles are to:

- The Remuneration policy is gender neutral and non-discriminatory in any aspect of its implementation.
- Safeguard that remuneration is sufficient to retain and attract executives with appropriate skill and experience.
- Monitor that internal equity between all Units is applied.
- Avoid excessive risk taking including with respect to direct or indirect sustainability risks.
- Link remuneration with long-term performance.

The continuous monitoring of market trends and best practices on domestic and global levels ensures a competitive Remuneration Policy that is governed by transparency and internal equity.

Moreover, the Company has adopted a remuneration framework the main objective of which is to provide an unified remuneration management approach within the Group and a common framework taking into consideration the need for flexibility in the decision making process and the diverse operational models of the all units. The Company promotes the integration of sustainability risks related factors into the remuneration policies of its delegates.

The Company’s remuneration framework is based on a two dimensional grading structure for each position:

- Career Family, depending on the nature of business (for example IT, Finance).
- Grade which is linked to position requirements, range of responsibilities and professional experience.

The Company’s grading structure is set using a specific methodology, which evaluates each position based on 3 parameters:

- Know How
- Problem Solving
- Accountability

3.1 Gender Neutrality Analysis

Every year, the Company performs a gender pay-gap analysis. Every significant subsidiary of Eurobank performs its own analysis based on the oversight and guidance offered by the Human Resources.

At a minimum, the analysis should offer a breakdown of differences between the average pay of male and female staff for each of the following categories:

- Members of the management body in the supervisory function
- Members of the management body in its management function
- Identified staff, excluding members of the management body
- Other staff

For the calculation of average pay, every subsidiary will use as a unit of measurement the annual gross remuneration of staff calculated on a full-time equivalent basis.

Where material differences between the average pay of male and female staff / of the management body exist, the Company should document the main reasons and should be able to demonstrate that the differences do not result from a remuneration policy that is not gender neutral.

The result of the analysis is presented to the Remuneration Committee, where appropriate actions, if needed, are agreed and approved.

4. Remuneration Governance – Roles and Responsibilities

1) Management body in its supervisory function (non-executive members of the Supervisory Board)

The Members of the Supervisory Board:

- approve and periodically review the Remuneration Policy and are responsible for overseeing its implementation
- approve any material exemptions made for individual staff members in terms of remuneration
- has the ultimate responsibility for the identification process and the respective policy

2) Remuneration Committee

- assists the non-executive members of the BoD regarding the drafting, revision and implementation of the Remuneration Policy and makes relevant recommendations
- is established in such a way as to be able to offer specialised and independent advice regarding the Remuneration Policy and its implementation and the incentives created for managing corporate and risk culture, capital and liquidity so that to contribute to safeguarding a sound capital base and does not lead to shortcomings in the Company's liquidity
- its objective and key responsibilities are determined by its Terms of Reference

3) Risk Committee

Without prejudice to the tasks of the Remuneration Committee, the Board Risk Committee:

- examines whether incentives provided by the remuneration policies and practices take into consideration the Company's risk, capital, liquidity and the likelihood and timing of earnings
- is involved in the identification process (MRTs identification)

4) Human Resources

- oversees the drawing up and annual review of the Remuneration Policy, including the remuneration structure, remuneration levels and incentive schemes, in a way that would not only attract and retain the staff the Company needs but also assures that the remuneration policy is aligned with the Company's risk profile

- takes into account the input provided by all competent corporate functions (e.g. Risk Management, Compliance, Strategy, Finance and Legal Units) when performing the annual review of the Remuneration Policy
- ensures a proper exchange of information among all internal bodies and functions involved in the identification process (MRTs identification)

5) Risk Management

- assists in and informs on the definition of suitable risk adjusted performance measures (including ex-post adjustments), as well as in assessing how the variable remuneration structure affects the risk profile and culture of the Company and validates and assesses risk adjustment data
- is constantly involved in the review and definition of the remuneration policy, the incentive system and compensation processes as well as in the identification of objectives and in the performance appraisal. This involvement implies explicit link between the incentive mechanisms, selected metrics of the Risk Appetite Framework, the validation of performance and pay, so that the assumption of risk is properly bound to incentives related to risk management
- when determining the overall pool of variable remuneration (Incentives, Annual bonus and Long Term Incentive Plan / “LTIP”), that can be awarded for that year and the amount of variable remuneration that will be paid out or will be vesting in that year, Risk Management with the help of Human Resources, performs an analysis considering a sound capital and liquidity base and other risks, associated with the Company’s activities, as further described in the Variable Remuneration Framework Policy
- is invited to attend the meetings of the Remuneration Committee to discuss the above matters
- is involved in the identification process in accordance with their respective role on an ongoing basis
- is responsible for assessing and controlling the process for determining the overall bonus pool at Company level

6) Compliance

- analyses how the remuneration policy affects the Company’s compliance with legislation, regulations, internal policies and risk culture and reports all identified compliance risks and issues of non-compliance to Board
- its input is taken into account in the annual review of the Remuneration Policy
- is involved in the identification process in accordance with their respective role on an ongoing basis

7) Internal Audit

- carries out annually an independent review of the design, implementation and effects of the Company’s remuneration policies on its risk profile and the way these effects are managed in line with the regulatory framework. The identification process and its result is also subject of the independent review.

The Remuneration Policy is accessible to all employees through the Company’s intranet site.

The Remuneration Policy, related procedures and documentation on the decision-making process are kept for a period of at least 5 years from the date that they applied.

5. Individuals with Material Impact on the Company's Risk Profile

The identified staff) according to the EU Regulation 923/2021 are identified wing qualitative and quantitative criteria:

5.1 Criteria

The **qualitative criteria** used in identifying the Material Risk Takers are the following:

Criteria No.	Qualitative Criteria
1	Member of the management body in its supervisory function
2	Member of the management body in its management function
3	Member of the senior management
4	Employee with managerial responsibility for the activities of the independent risk management function, compliance function or internal audit function[1]
5	Employees with managerial responsibility over the Company's material business unit or with a significant impact on the risk profile of a material business unit
6	Employees with managerial responsibility for: (i) legal affairs (ii) the soundness of accounting policies and procedures (iii) finance, including taxation and budgeting (iv) performing economic analysis (v) the prevention of money laundering and terrorist financing (vi) human resources (vii) the development and implementation of the remuneration policy (viii) information technology (ix) information security (x) managing outsourcing arrangements of critical or important functions
7	Employees who are responsible for, or are members of Committees responsible for the management of a risk category: (i) Credit and counterparty risk (ii) Residual risk (iii) Concentration risk (iv) Securitisation risk (v) Market risk (vi) Interest risk arising from non-trading book activities (vii) Non-financial risk (i.e. operational risk, conduct risk etc.)

[1] *For example: if the CRO is part of the management body he should be identified under criteria #2, although he is the head of an internal control function and he can also be classified under criteria #4.*

	(viii) Liquidity risk (ix) Risk of excessive leverage (x) Climate-related and environmental risk (xi) Compliance and AML risk
8	With regard to credit risk exposures of a nominal amount per transaction, representing 0.5% of the Company's Common Equity Tier 1 capital and is at least EUR 5 million, the employee meets one of the following criteria: a) the employee has the authority to take, approve or veto decisions on such credit risk exposures b) the employee is a voting member of a committee which has the authority to take the decisions mentioned in point (a)
9	Employees who individually or, as members of Committees, have authority to take, approve or veto a decision on transactions on the trading book which in aggregate meet one of the following thresholds: a) where the standardized approach is used, an own funds requirement for market risks which represents 0.5% or more of the Company's Common Equity Tier 1 capital; or b) where an internal model-based approach is approved for regulatory purposes, 5% or more confidence level of the Company's internal value-at-risk limit for trading book exposures at a 99%
10	Employees who head a group of employees who have individual authorities to commit the Company to transactions and either of the following conditions is met: a) the sum of those authorities equals or exceeds the threshold referred to in point (8)(a) or in point (9)(a) above b) where an internal model-based approach is approved for regulatory purposes, those authorities amount to 5 % or more of the Company's internal value-at-risk limit for trading book exposures at a 99%
11	The employee meets either of the following criteria with regard to decisions on approving or vetoing the introduction of new products: a) the employee has authority to take such decisions b) the employee is a voting member of a committee that has authority to take such decisions
12(*)	Senior Managers and above

(*) This criteria is not provisioned by the European regulatory framework. It is an internally defined criteria.

The **quantitative criteria** used in identifying the identified staff are the following:

Criteria No.	Quantitative Criteria
13	Employees' total remuneration is equal or greater than 750,000 EUR[2]

[2] *This criteria has to be applied on an individual level but also consolidated basis*

14	Employees' total remuneration is within the 0.3% of the employees, rounded up to the next higher integer, who have been awarded the highest total remuneration in the preceding financial year (on an individual basis)
15	Employees' total remuneration is equal to or greater than € 500,000 and equal to or greater than the average total remuneration of all members of the BoD[3] and senior management
16	The employee was awarded total remuneration of EUR 1 000 000 or more in or for the preceding financial year

Further details are presented in the MRTs Identification Procedure.

5.2 Identification Process of the Employees with Material Impact on the Company's Risk Profile

The identification process of the identified staff is based on the aforementioned qualitative and quantitative criteria as set out in Commission Delegated Regulation (EU) No 923/2021 and, where needed, additional criteria have been set by the Company that reflect the levels of risk of different activities within the Company and the impact of employees on the Company's risk profile.

The identification process of the identified employees is performed on an annual basis at Company level as well as at Group level.

Further details are presented in the MRT Identification Procedure and Remuneration Disclosures Instructions.

6. Categories of Remuneration

Remuneration plays a significant role in attracting and retaining talent whose contribution in the Company's results is deemed critical. Remuneration mechanisms incorporate principles that take into account employees' skills and performance while supporting at the same time long term business objectives and are consistent with the principle of equal pay for male, female and diverse employees of equal work or work of equal value in line with point 65 of Article 3(1) of Directive 2013/36/EU and Article 157 TFEU. Any form of discrimination, based on gender or otherwise is not tolerated.

The Company has developed a remuneration framework that is based on total remuneration ranges that differ among hierarchical levels and nature of business and on the basis of a gender neutrality including identified staff. Total remuneration ranges are reviewed annually taking into consideration market trends and current legal requirements. To this end, data from Compensation and Benefits Surveys, provided from external consultants, is used as benchmark.

It should be noted that employees engaged in internal control functions are independent from the business units they oversee and have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The remuneration of the employees in the independent control functions is predominantly fixed, to reflect the nature of their responsibilities. The variable remuneration of control functions is not based on the financial performance of the Units they monitor. On the other hand, the variable remuneration is based on simple and clear criteria formed on the basis of control objectives and to some extent on the performance of the Company as a whole.

Employees' total remuneration consists of fixed and variable components.

6.1 Fixed Remuneration General Principles

Fixed remuneration is gender neutral, permanent, predetermined, non-discretionary, transparent and non-revocable (cannot be reduced, suspended or cancelled by the Company).

Fixed remuneration reflects primarily the relevant professional experience of the employee taking into account the educational level, experience, the degree of seniority, the level of expertise and skills, the professional certifications, the constraints (e.g. social, economic, cultural or other relevant factors, including the place of employment and its costs of living) the nature of the employment contract (e.g. temporary or with an indefinite period) and the position's functional requirements.

In addition, fixed remuneration does not provide incentives for risk assumption and it is not subject to malus and clawback arrangements.

Individual increases proposals are based on market data and employee performance.

6.1.1 Benefits and Business Related Components

The Company may offer various benefits and allowances to its employees and their families in line with the approved Benefits' Framework. Benefits are the types of compensation provided to employees to ensure market competitiveness in accordance with local market practice (e.g. pensions, medical insurance, life insurance).

The Benefits and Business Related Components Policy (types of benefits, coverage, etc.) is approved by the Remuneration Committee following proposal by the Human Resources.

The benefits and allowance offered to employees are assimilated to the fixed component of remuneration as they are linked to the job / role description and not to the performance of the employee.

The benefits / allowances remuneration package for all employees is in line with the approved annual staff costs budget under the responsibility of the Human Resources. Some benefits / allowances are considered expenses for the Company, not part of the payroll process and therefore, are excluded from the overall calculation of the fixed part of remuneration and also excluded from the calculation of the ratio between fixed and variable remuneration for staff.

6.2 Variable Remuneration General Principles

The Company may provide variable remuneration in order to reward employee performance in alignment with unit and / or Company performance taking into consideration the general principles set below.

The amount of variable remuneration awarded appropriately reflects changes of the performance of the employees, the business unit and the Company overall. In such variable remuneration schemes, the Company specifies how the variable remuneration reacts to performance changes and the performance levels. This also includes performance levels where variable remuneration decreases down to zero.

As a result, it is upon Company's discretion to award variable remuneration to employees as long as financial sustainability is maintained. The Company has the right to partly or fully revoke the distribution of variable remuneration to its employees.

The total variable remuneration pool, as well as, the distribution parameters used for its allocation among different business units, should be determined after taking into consideration the following parameters:

- The Eurobank's, Company's and business units' profitability.
- The cost of tied-up capital which is associated to risks undertaken (credit, market, operational, liquidity, reputational and other risk) spread over a period of time, and is calculated based on the existing regulatory framework.
- Key developments in terms of credit risk, liquidity risk and market risk which further adjust the Company's total variable remuneration pool.
- Additional criteria for measuring the effectiveness and efficiency of employees which include qualitative factors (qualifications, skills, compliance with Company's policies, contribution to the unit's performance, and personal competencies such as continuous improvement, customer orientation, team spirit, change leadership and people management) as well as factors related to the management of risks undertaken.

The variable remuneration pool allocated to each business unit, should be further adjusted through additional unit specific risk parameters (such as provisions from non - performing loans, Value at Risk, credit, market & liquidity risk, losses incurred by fraud, etc.) thus stressing the importance of the prudent management of such risks.

In case that the Company grants variable remuneration to its employees the appropriate risk alignment process should be followed as per the respective EBA Guidelines (EBA/2021/04) on sound Remuneration Policies under Directive 2013/36/. The Company reserves the right to apply malus or clawback arrangements to the variable remuneration awarded to employees.

The remuneration guidelines differentiate between the requirements applicable to all employees and requirements applicable to identified employees. As identified employees have a higher impact on the risk profile it is appropriate that more stringent remuneration policies are applied. Consequently, in cases where variable remuneration is awarded to identified employees according to the EU Regulation

923/2021 additional requirements are applied to the variable remuneration amounts *(as described in Section "Variable Remuneration for Identified Staff")*.

At Company level, the following types of variable remuneration have been defined:

Variable remuneration components	Timeframe
Incentive Schemes	Short term
Annual bonus	Medium term
LongTerm Incentive Plan (LTIP)	Long term
Non-standard components	Specific conditions

Further details on the types of variable remuneration are presented in the Variable Remuneration Framework.

6.3 Non-Standard Variable Remuneration Components

6.3.1 Guaranteed Variable Remuneration and Buyout

In exceptional cases, when hiring new employees, the Company may provide guaranteed variable remuneration (e.g. 'guaranteed bonus', 'welcome bonus', 'sign-on bonus', 'minimum bonus') or buyout of a previous employment contract. These types of remuneration can occur only and where the Company has a sound and strong capital base, is limited to the first year of employment and should only be granted once to a single employee (applicable at a consolidated and sub-consolidated level).

Guaranteed variable remuneration can be awarded either in cash or in instruments and may not be subject to deferral arrangements. Also, the Company will not apply the requirements on malus and clawback to guaranteed variable remuneration. Furthermore, the amount of guaranteed variable remuneration will not be included in the calculation of the ratio between the fixed and variable components of the total remuneration (as described in Section "Ratio Between Fixed and Variable Remuneration") for the first performance period, where the guaranteed variable remuneration is awarded when hiring new staff before the first performance period starts.

Remuneration granted as compensation or for the buyout of a previous contract (e.g. where the deferred variable remuneration of the employee was reduced or revoked by the previous employer because of the termination of the contract) all requirements for variable remuneration, including deferral, retention, pay out in instruments and clawback arrangements will be applied.

6.3.2 Separation Agreement Schemes

The Company may provide separation agreement schemes for employees, relating to the early termination of a contract, taking into consideration current legislation.

Separation agreement schemes are linked to the performance achieved over time and that it does not reward failure or misconduct of the employee.

Severance payments are considered as variable remuneration, unless local regulatory / legal restrictions exist locally, at the level of each subsidiary.

Severance payments awarded to identified staff, will not be taken into account for the purpose of the calculation of that ratio and for the application of deferral and the pay out in instruments if:

- Severance payments are considered mandatory under national labour law or mandatory following a decision of a court
- Severance payments calculated through an appropriate predefined generic formula (e.g. gardening leave); where the Company is able to demonstrate the reasons and the appropriateness of the amount of the severance payment

6.3.3 Retention Schemes

The Company may provide retention schemes to retain employees.

The retention amount complies with the general principles on variable remuneration, including the ex post risk alignment, payment in instruments, deferral, retention, malus and clawback. Retention amounts are not based on performance, but on other conditions (i.e. the circumstance that the employee stays in the Company for a predetermined period of time or until a certain event), therefore ex ante risk adjustments are not necessary. However, the retention bonus will not be awarded if material non-compliances or other failures of that staff member happen (e.g. material compliance breaches, misconduct).

When assessing and considering whether the award of a retention bonus to an identified staff is appropriate, the Compaby will take into account at least the following:

- the concerns that lead to the risk that certain employee may choose to leave the Company;
- the reasons why the retention of that employee is crucial for the Company;
- the consequence if the staff member concerned leaves the Company; and
- whether the amount of the awarded retention bonus is necessary and proportionate to retain the targeted employee.

The retention amount is not awarded to merely compensate for performance-related remuneration that is not paid due to insufficient performance or the Company's financial situation.

The Company sets the retention period as a specific period of time or by defining an event when the retention condition is met, after which the retention amount is awarded. The retention bonuses will only be awarded after the retention conditions have been met. However, if the financial situation of the Company would not allow for the payment to be performed (e.g. capital restrictions imposed by competent authorities) the Company reserves the right to reduce the retention bonus, possibly down to zero.

The retention amount is taken into account within the calculation of the ratio between the variable and the fixed remuneration as variable remuneration (as described in Section "Ratio Between Fixed and Variable Remuneration"). The retention amount is taken into account either with an annual amount in each year of the retention period which is calculated on a linear pro rata basis independent of the fact that the full amount is awarded after the end of the retention period, or with the full amount when the retention condition is met. Where the exact length of the retention period is not known upfront, the Company sets and duly documents a period considering the situation and measures taken that justify the payment of a retention amount. The calculation of the ratio is based on the period set.

As a general principle, the Company will not award multiple retention bonuses to an employee; in exceptional cases and where duly justified, more than one retention bonus may be paid to an employee, but at different moments in time and under specific conditions.

6.3.4 Discretionary Pension Benefits

As a rule, discretionary pension benefits are not granted and in any case if they may be provided they should constitute a form of variable remuneration.

The Company ensures that where an employee leaves the Company or retires discretionary pension benefits are not paid without the consideration of the economic situation of the Company or risks that have been taken by the employee which can affect the Company in the long term.

As far as the identified staff are concerned the full amount of discretionary pension benefits is awarded as follows:

- when an identified staff leaves the Company before retirement, the Company holds the full amount of any discretionary pension benefits in instruments at least for a period of five years without the application of pro rata vesting;

- when an identified staff reaches retirement, a five-year retention period is applied to the full amount paid in instruments.

The Company ensures that malus and clawback arrangements are applied in the same way to discretionary pension benefits as to other elements of variable remuneration.

6.4 Ratio Between Fixed and Variable Remuneration

Provided that variable remuneration is awarded to identified staff, the following rules should apply:

- The variable component cannot exceed 100% of the fixed component of the total remuneration.

- The Company’s Annual General Meeting as well as the Eurobank Holdings and Services S.A. Annual General Meeting may approve a higher maximum level of the ratio between the fixed and variable components of remuneration provided the overall level of the variable component shall not exceed 200% of the fixed component of the total remuneration for each individual and according to the process described under the clauses of L. 4261/2014.

The competent authority[4] will be informed about the increase (higher than 100% level) / reduction of the higher maximum ratio, without delay (within five working days) also considering the necessary documentation needed for submission to the competent authority.

- Currently the Company uses the same ratio for all categories of employees (100%). If different ratios will be used for different categories of employees (but below the overall ratio approved by shareholders' meeting), the management body in its supervisory function (Non-Executive Directors of the Board) should approve this.
- The effective ratio is calculated as the sum of all variable components of remuneration that have been awarded for the last performance year, as set out in this Remuneration Policy, divided by the sum of fixed elements of remuneration awarded for the same performance year.

- The employee benefits and business-related components, which are considered as fixed remuneration, are not included in the overall ratio calculation, (pursuant to Art. 207 of the EBA Guidelines EBA/GL/2021/04).

- The Company currently uses a yearly performance accrual period. Should multi-year accrual periods be implemented, the Company should obtain the Remuneration Committee' approval and will take into account in each year of the performance period the maximum amount of variable remuneration that is awarded at the end of the performance period divided by the number of years of the performance period.

- The ratio between the variable and fixed remuneration components is set independent of any potential future ex post risk adjustments or fluctuation in the price of instruments.

If the notional discount will be used by subsidiaries consolidating Company based in other countries, the implementation will take into account the local laws provisions, including Art. 212. of the EBA Guidelines EBA/GL/2021/04).

7. Performance Management

The Company has in place a performance management framework aimed at continuous improvement of the employees and aligning with the strategic objectives and values of the Company. The Company has two performance management tools, common to all Greek subsidiaries, as presented below:
- "ΑΞΙΟΠΟΙΩ" applicable to all employees up to grade 10 (employees, Manager A, Manager B)
- Senior Management Performance Feedback for all employees having grade 11+ and Subsidiaries' CEO.

For the level of individual staff, the performance assessment process is further described in the Performance Management Policy.

The performance management process applicable to the Company level and business unit level are further described in the Variable Remuneration Framework.

[4] *Competent authority (CA) – For entities based in the EU, that are subject to CRD, the CA is the CA of the entity seeking approval (e.g. For Luxembourg entity, the CA would be Central Bank of Luxembourg). Where identified staff would be excluded in subsidiaries which are not themselves subject to CRD, the competent authority is the competent authority of the parent Company (Bank of Greece).*

8. Variable Remuneration for "Identified Staff"

For identified staff additional requirements to their variable remuneration awarded are applied according to L. 4261/2014, as in force which has incorporated the Directive 2013/36/EU, as in force.

8.1 Deferral, Retention and Method of Payment Requirements

Instruments awarded, both upfront and deferred, are subject to a retention period (a period of time after the vesting of instruments which have been awarded as variable remuneration during which they cannot be sold or accessed). Where the deferral period is at least five years, a retention period for the deferred part of at least six months may be imposed for employees other than members of the BoD and senior management for whom a minimum retention period of one year should be applied.

For any variable remuneration that exceeds the amount of € 50,000[5] or represents more than one third of the total annual remuneration the following deferral requirements apply:
for Senior Executives[6]:

- for variable remuneration between € 0-€ 149,000 at least a 40% deferral is applied;
- for variable remuneration between € 150,000-€ 349,000, at least a 50% deferral is applied; and
- for variable remuneration over € 350,000[7], at least a 60% deferral is applied;

for the rest of the identified employees:

- for variable remuneration between € 0-€ 349,000 at least a 40% deferral is applied; and

for variable remuneration over € 350,000, at least a 60% deferral is applied.

In case the variable remuneration exceeds 100% of the fixed remuneration than at least 60% deferral is applied.
The deferral amount is deferred over a period which is not less than four years, with the exception of the Board Members and / or Board Committee members for which the deferral period is five years.

The deferral period starts after the award is made (at the moment the upfront part of the variable remuneration is paid out). Deferred remuneration is spread out over several payments in the course of the deferral period. The payments are equal throughout every year of deferral. The first deferred portion should not vest sooner than 12 months after the start of the deferral period. Vesting takes place on a yearly basis. The deferral period ends when the awarded variable remuneration has vested or where the amount was reduced to zero as malus was applied.
Variable remuneration (deferred and non-deferred) is awarded or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified on the basis of the performance of the Company, the business unit and the employee concerned. Without prejudice to the general principles of national contract and labour law, the total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company occurs, taking into account both current remuneration and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

[5] *Any variable remuneration awarded that does not exceed the gross amount of € 50,000 or does not represent more than one third of the total annual remuneration is awarded in cash and is not subject to retention and deferral policies.*
[6] *Senior Executives are defined as the CEO, Deputy CEO, Deputy CEO, as well as all members of Executive Board (ExBo).*
[7] *An amount of € 350,000 and above is deemed to be variable remuneration of a "particularly high amount".*

Additionally, for any variable remuneration awarded that exceeds the amount of € 50,000 or represents more than one third of the total annual remuneration,, at least 50% of it should consist of a balance of the following:

- shares or equivalent ownership interests;

- where possible, other instruments within the meaning of Article 52 or 63 of Regulation (EU) No 575/2013 or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down, that in each case adequately reflect the credit quality of the Company as a going concern and are appropriate to be used for the purposes of variable remuneration in accordance to the relevant clauses of Regulation (EU) No 527/2014; and

- variable remuneration should not be paid through vehicles or methods that facilitate the non-compliance with L. 4261/2014 or Regulation (EU) No 575/2013.

Identified staff who receives part of their variable remuneration in instruments are required not to use personal hedging strategies or related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. They are obliged to sign a yearly written commitment to be signed by MRTs identified yearly, through which they state they self-commitment not to engage in hedging activities. (see Annex 2 of the Variable Remuneration Framework). The Human Resources will send the declaration to all applicable identified staff, following the completion of the identification process that is done yearly.

The Compliance performs inspections / checks of the compliance with this declaration with regard to the internal custodianship accounts of identified staff that receive payment in instruments. Also, should the Company use custodial accounts outside the Company, notification to the Company (e.g. for any activity on the account) should also be made mandatory.

8.2 Malus and Clawback Arrangements

- The Company is able to apply malus or clawback arrangements up to 100% of the total variable remuneration in accordance with Article 94 (n) of EU Directive 2013/36/EE regardless of the method used for the payment, including deferral or retention arrangements.

- When setting criteria for the application of malus and clawback in accordance with Article 94 (n) of EU Directive 2013/36/EE~~,~~ a period during which malus or clawback will be applied is also set. This period at least covers deferral and retention periods.

- The criteria used, are the following:

  - evidence of misconduct or serious error by the employee (e.g. breach of code of conduct and other internal rules, especially concerning risks);

  - whether the Company and/or the business unit subsequently suffers a significant downturn in its financial performance (e.g. specific business indicators);

- ➢ whether the Company and/or the business unit in which the employee works suffers a significant failure of risk management;
- ➢ significant increases in the Company's or business unit's economic or regulatory capital base;
- ➢ any regulatory sanctions where the conduct of the employees contributed to the sanction.

➢ Where malus can only be applied at the moment of vesting of the deferred payment, clawback on variable remuneration may be applied without prejudice to the general principles of national contract or labour law.

➢ Malus and clawback arrangements lead to a reduction of the variable remuneration where appropriate. Under no circumstances should 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.

9. Disclosures

The Company makes separate disclosures regarding the remuneration policy in the Audited Annual Reports of the Funds under management, according to Luxembourg standards, in the Notes to the Financial Statements under the title "Unaudited information, Remuneration Policy UCITS V". Disclosures regarding remuneration are also included in the Notes for the delegate who performs risk and investment management services for the Funds, under the title "Disclosures of remuneration of delegates". On a consolidated basis relevant disclosures are made by the parent company Eurobank S.A. Further information on the process and information for the disclosures are in the Remuneration Disclosures Instructions.

10. Appendices

11. References

12. Terminology

Accrual period - means the period of time for which the performance is assessed and measured for the purposes of determining an award of variable remuneration.

Award - means the granting of variable remuneration for a specific accrual period, independently of the actual point in time where the awarded amount is paid.

Clawback - means an arrangement under which the employee has to return ownership of an amount of variable remuneration paid in the past or which has already vested to the Company under certain conditions. This means repayment of variable remuneration that has already vested.

Control Functions – are defined as the risk management, compliance and internal audit functions within the Company.

Deferral period - means the period of time between the award and the vesting of the variable remuneration during which the employee is not the legal owner of the remuneration awarded.

Discretionary pension benefits - means enhanced pension benefits granted on a discretionary basis by an Company to an employee as part of that employee's variable remuneration package, which do not include accrued benefits granted to an employee under the terms of the company pension scheme. Discretionary pension benefits are a form of variable remuneration.

Identified staff - means staff whose professional activities have a material impact on the Company's individual or the group's risk profile in accordance with the criteria set out in Article 92(3) of Directive 2013/36/EU, the Commission Delegated Regulation adopted under the empowerment within the last subparagraph of Article 94(2) of this Directive (RTS on identified staff) and, where appropriate to ensure the complete identification of staff whose professional activities have a material impact on the risk profile, additional criteria defined by the Company.

Instruments - means those financial instruments or other contracts that fall within one of the two categories referred to in Article 94(1)(l) of Directive 2013/36/EU.

Malus - means an arrangement that permits the Company to reduce the value of all or part of deferred variable remuneration based on ex post risk adjustments before it has vested. This means a reduction of deferred unvested remuneration in the light of risk outcomes following an award of variable remuneration.

Retention period - means a period of time after the vesting of instruments that have been awarded as variable remuneration during which they cannot be sold or accessed.

Senior management - means those employees who exercise executive functions within the Company and who are responsible, and accountable to the management body, for the day-to-day management of the Company. In Eurobank this is translated into the Executive Board / Committee members.

Share-linked instruments means those instruments whose value is based on the value of the stock and that have the share value as a reference point, e.g. stock appreciation rights, types of synthetic shares.

Upfront payments - means payments which are made immediately after the accrual period and which are not deferred.

Vesting - means the effect by which the staff member becomes the legal owner of the variable remuneration awarded, independent of the instrument which is used for the payment or if the payment is subject to additional retention periods or clawback arrangements.

13. Amendments Table

Version	Date	Change Description
1.0	30.06.2014	Following CSSF Circular 10/437
2.0	20.03.2014	Amendment as per UCITS IV Requirements and CSSF Circulars 10/437, 11/505 and 12/546
3.0	24.11.2015	Amendment as per UCITS IV Requirements and CSSF Circulars 10/437, 11/505 and 12/546
4.0	15.12.2017	Amendments on EBA Guidelines on sound Remuneration Policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013
5.0	14.12.2018	Amendments on EBA Guidelines on sound Remuneration Policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013
6.0	06.07.2020	Amendment of the deferral period for Board Members and / or Board Committee Members and increase of the minimum limit of any variable remuneration as well as amendment of the Section “Disclosures”
7.0	23.02.2021	Amendment on Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. Amendment based on Internal Audit Sector proposal dated 25/11/2020 for discretionary pension benefits.
8.0	08.09.2021	Amendments in order to be in line with Eurobank Group Remuneration Policy. Amendment for the Remuneration approval process.
9.0	29.09.2022	Amendment of the Quantitative Criteria for the Individuals with Material Impact on the Company’s Risk Profile based on EBA

		Guidelines (EBA/2021/04) on sound Remuneration Policies under Directive 2013/36/EU, the Remuneration Approval Process and the threshold set with respect to variable remuneration payments subject to deferral arrangements and the amendment of the Deferral, Retention and Method of Payment Requirements.
10.0	19.01.2024	Amendment of the Remuneration Policy based on revised EBA Guidelines
11.0	01.01.2025	Amendment of the deferral method of variable remuneration payment requirements

14. Table of Creation, Issuance and Approvals

Unit	Authorized Personnel	Date
Created by: Compliance Officer, AML/CFT responsible Compliance Officer and Risk Manager **Mr D. Chiron** **30.12.2024**		
Athorised by: Conducting Officer of Risk and Compliance functions **Mr D. Chiron** **30.12.2024**		
Approved by: Directors of the Board **30.12.2024**		