



REMUNERATION POLICY

The Company designs and applies a set of remuneration policies and practices (the “Remuneration Policy”) in order to comply with the requirements of the European¹ and national legislation². The Remuneration Policy is designed in such a way so as to contribute to the achievement of the strategic goals and the mission of the Company and ensure its productivity and long-term interests. At the same time, the Remuneration Policy aims at promoting appropriate and efficient risk management while ensuring the avoidance of excessive risk-taking and the creation of conflicts of interest. The Board of Directors is responsible for the design and application of the Remuneration Policy.

The Remuneration Policy is applicable to both fixed and variable remuneration for the entirety of the Company’s employees covering all levels of its organisational structure and, specifically, the employees whose professional activities have a material impact on the Company’s risk profile, such as the top management, taking into consideration the qualitative and quantitative criteria of the Regulation 604/2014/EU³. The total remuneration is mainly shaped on the basis of the fixed remuneration ensuring the appropriate balance between fixed and variable remuneration. In all cases, while determining the variable remuneration, the following, among others, are taken into account; a multiannual framework for the performance assessment, the time period over which the variable remuneration is spread over based on the underlying business activity cycle of the Company and its business risks, as well as the current and future risks relating to the underlying performances by placing emphasis on the cost of capital and the required liquidity and by ensuring that the ability of the Company to strengthen its capital base is not limited. Furthermore, such variable remuneration shall be provided only if it is sustainable based on the financial situation of the Company as a whole and justified on the basis of the performance of the Company, the concerned business department and the specific employee. Moreover, the Company establishes internal arrangements regarding a potential deferral or return of the variable remuneration, as well as appropriate mechanisms in order for the remuneration practices in general to be adjusted to potential changes affecting the Company and to ensure the avoidance of potential conflicts of interests.

¹ Ar. 74 – 76, 92 – 96, Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and ar. 450, Regulation 575/2013/EU on prudential requirements for credit institutions and investment firms.

² Par. 20 – 23, Directive 144-2014-14 of the Cyprus Securities and Exchange Commission on the prudential supervision of investment firms.

³ Ar. 3 and 4 of the delegated Regulation 604/2014/EU supplementing Directive 2013/36/EU with respect to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution’s risk profile.