REMUNERATION OF STAFF POLICY

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1. OBJECTIVE

The objective of the remuneration policy implemented by the Company is to attract, motivate and retain employees in the long term, while ensuring an appropriate management of risks and compliance

2. GENERAL PROVISIONS

The policy applies to the total remuneration, inclusive of fixed salary, when relevant, variable remuneration and/or performance shares, for categories of staff including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile (hereafter the "regulated personnel").

The remuneration policy makes a clear distinction between criteria for setting:

- The basic fixed remuneration, which primarily reflects the relevant professional experience and organizational responsibility as set out in an employee's job description as part of the terms of employment.
- The variable remuneration which reflects a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

3. INTERNAL GOVERNANCE OF THE REMUNERATION POLICY

The annual process conducted to review the Company's remuneration is coordinated by the Senior Management and, ultimately, the Board upon the recommendation from the Nomination and Remuneration Committee (hereafter "**The Committee**").

The governance applied by the Company ensures an exhaustive and independent review of the remuneration policy through:

- An annual central and independent internal review.
- An ultimate validation of this policy, including principles, budgets and individual allocations, by the Board after review by the Committee.

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company. The policy is in line with the business strategy, objectives, values and long-term interests of the Company, and incorporates measures to avoid conflicts of interest.

The Company's Board adopts and periodically reviews the general principles of the remuneration policy and is responsible for overseeing its implementation. The Board reviews the reports submitted by the Committee and takes the necessary action it considers necessary in relation to the Committee's findings and suggestions.

3.1. The Role of Control Functions

The control functions, including the Risk Management Function and the Compliance Function, are involved in the process of reviewing the Company's remuneration and, more specifically, those of the regulated personnel.

The control functions intervene in the following key stages:

- The Compliance function in cooperation with the Risk Management Function identifies the regulated personnel.
- The Risk Management function validates that the methodology used for setting the variable remuneration ensuring that the various kinds of risk have been taken into consideration.
- The Risk Management function checks that the total amount of variable remuneration does not hinder the Company's capacity to build up its capital base.
- The Compliance function reviews, at least annually, the policy.

The independence of these control functions is guaranteed by direct reporting to the Company's Senior Management and Board. Moreover, as with all Company's functions/departments, these functions are compensated through variable remuneration determined according to the Company's overall performance, independently of the results of the activities they control. The allocation of the variable remuneration is based on the extent to which objectives specific to their function are met.

3.2. The Role of the Committee and the Board

The Committee meets on an annual basis and reports its findings to the Board.

The Company's Board adopts and periodically reviews the general principles of the remuneration policy and is responsible for overseeing its implementation. The Board reviews the reports submitted by the Committee and takes the necessary action considering the Committee's findings and suggestions.

4. VARIABLE REMUNERATION

Allocation of variable remuneration is not contractual; it depends on both individual and collective performance and considers previously defined quantitative and qualitative criteria. It also takes into consideration the economic, social, and competitive context. The criteria used to set variable remuneration, as well as its allocation, consider all risks through quantitative and qualitative adjustments.

The Company applies the following principles for variable elements of remuneration:

a) Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Company and when assessing individual performance, financial and non-financial criteria are considered,

b) The assessment of the performance is set in a multi-year framework in order to ensure that the assessment process is based on long-term performance and that the actual payment of performance- based components of remuneration is spread over a period which takes account of the underlying business cycle of the Company and its business risks,

c) The total variable remuneration does not limit the ability of the Company to strengthen its capital base,

d) Guaranteed variable remuneration is not a part of prospective remuneration plans,

e) Guaranteed variable remuneration is exceptional, occurs only when hiring new staff and where the Company has a sound and strong capital base and is limited to the first year of employment,

f) Fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component,

g) Sets the appropriate ratios between the fixed and the variable component of the total remuneration, hereby the following principles apply:

- The variable component shall not exceed 100% of the fixed component of the total remuneration for everyone,

- Shareholders of the Company 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 everyone.

Any approval of a higher ratio as mentioned above is carried out in accordance with the following procedure:

- The shareholders act upon a detailed recommendation by the Company giving the reasons for, and the scope of, an approval sought, including the number of staffs affected, their functions and the expected impact on the requirement to maintain a sound capital base,
- Shareholders act by a majority of at least 66 % provided that at least 50 % of the shares or equivalent ownership rights are represented or, failing that, act by a majority of 75 % of the ownership rights represented,
- The Company notifies all shareholders of the Company, providing a reasonable notice period in advance, that an approval will be sought, o the Company, without delay, informs CySEC of the recommendation to its shareholders, including the proposed higher maximum ratio and the reasons therefore and is able to demonstrate to CySEC that the proposed higher ratio does not conflict with the Company's obligations under Regulation (EU) No 575/2013, having regard in particular to the Company's own funds obligations, staff who is directly concerned by the higher maximum levels of variable
- Remuneration mentioned above, is not, where applicable, allowed to exercise, directly or indirectly, any voting rights they may have as shareholders.
- The Company may apply the discount rate to a maximum of 25% of total variable remuneration provided it is paid in instruments that are deferred for a period of not less than five years.

h) Payments relating to the early termination of a contract reflect performance achieved over time and do not reward failure or misconduct,

i) Remuneration packages relating to compensation or buy out from contracts in previous employment align with the long-term interests of the Company including retention, deferral, performance and claw back arrangements,

j) Measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks and considers the cost of the capital and the liquidity required,

k) The allocation of the variable remuneration components within the Company also considers all types of current and future risks,

l) A substantial portion, and in any event at least 40%, of the variable remuneration component is deferred over a period which less than three to five years is no and is correctly aligned with the nature of the business, its risks and the activities of the member of staff in question.

Remuneration payable under deferral arrangements vests no faster than on pro-rata basis. In the case of a variable remuneration component of a particularly high amount, at least 60% of the amount shall be deferred. The length of the deferral period is established in accordance with the business cycle, the nature of the business, its risks and the activities of the member of staff in question.

m) The variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as whole, and justified based on the performance of the Company, the business unit and the individual concerned.

The total variable remuneration is generally considerably contracted where subdued or negative financial performance of the Company occurs, considering both current remuneration and reductions o in payouts of amounts previously earned, including through malus or claw back arrangements.

Up to 100% of the total remuneration is subject to malus or claw back arrangements. The Company is to set specific criteria for the application of malus and claw back. Such criteria cover situations where the staff member:

- Participates in or is responsible for conduct which results in significant losses to the Company.
- Fails to meet appropriate standards of fitness and propriety.

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

o) Variable remuneration is not paid through vehicles or methods that facilitate the noncompliance with Regulation (EU) No. 575/2013.

4.1. **Forms of Variable Remuneration**

The Company may reward its employees with the payment of an annual bonus based on both individual and collective performance and results achieved. The Company may also reward an employee with an ad-hoc bonus upon the successful conclusion of a project assigned to the certain employee.

Unless otherwise decided by the Company's Board of Directors, the Company will not offer any of the following forms of variable remuneration:

- Entitlements to shares and/or options.
- Commissions based on the amount of clients' deposits.

In the case of granting of an exception for the payment of the above forms of variable remuneration by the Board of Directors, the minutes of the Board of Directors meeting should fully reflect the rationale for the approval of such exception and its compliance with the current policy.

5. DISCLOSURE REQUIREMENTS

The Company, through the publication of its annual Market Discipline (Pillar III) Report, shall disclose at least the following information, regarding the remuneration policy and practices of the Company for those categories of staff whose professional activities have a material impact on its risk profile:

a) Information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.

b) Information on link between pay and performance.

c) The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria.

d) The ratios between fixed and variable remuneration.

e) The main parameters and rationale for any variable component scheme and any other non-cash benefits.

f) Aggregate quantitative information on remuneration, broken down by business area.

g) Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following:

- The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries.
- The amounts and forms of variable remuneration split into cash and other types.
- The amounts of outstanding deferred remuneration split into vested and unvested portions.
- The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments.
- New sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments.
- The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person.

h) The number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500,000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;

i) Upon demand from CySEC, the total remuneration for each member of the management body or senior management.

The above disclosures shall be audited by the Company's External Auditor and shall be published on the Company's website and, where possible, included as an annex to the Company's annual financial statements.

6. COMMISSION BASED REMUNERATION

The Company may remunerate personnel of its Business Development and Customer Care Department on a commission basis. That is, the personnel will receive commission payments based on the clients' amount of net deposits on top of the fixed portion of their salary. The personnel who is being remunerated on a commission basis is not eligible to any other form of variable remuneration (i.e. annual bonus).

6.1. **Conflicts of Interest Risk**

The commission-based remuneration offered to the Company's Business Development and Customer Care Department exposes the Company to the risk of conflict of interest arising by this remuneration practice. Particularly, the employees of the department may favor their own interest or the Company's interests to the potential detriment of the clients.

6.2. **Mitigating Factors**

The following rules and procedures have been established in order to ensure that the above conflicts of interest risk are effectively mitigated, and the Company follows its obligation to act in the best interest of its clients:

a) The personnel of the Business Development and Customer Care Department merely provides support to the Company's clients and does not engage in the sales of the Company's financial products.

b) For ensuring that a high-quality service is being offered to the Company's clients, each client is being assigned to an employee of the aforesaid department who is then acting as the 'Account/Relationship Manager'. The Account/Relationship Manager acts as the primary point of contact when a client needs assistant and/or requires clarifications.

c) As per the Business Development and Customer Care Department Policy, the department's personnel is strictly prohibited to induce any client to deposit funds in his/her trading account or cancel any withdrawal request.

d) Account/Relationship Managers are not eligible to receive any commissions in case clients deposit within 24 hours from the time of their trading account registration.

e) Account/Relationship Managers are eligible to receive commissions on the clients' amount of net deposits two months after the date of the clients' deposit subject to the following criteria:

- They establish enough communication with the client within the period of the two months.
- No complaint has been received from the client in relation to the communication the client had with the Account/Relationship Manager
- No chargeback request has been received for the said deposit.
- No disciplinary reports have been received by the Compliance Department and/or Senior Management.

f) The Compliance Officer is closely monitoring the communication the Account/Relationship Managers have with clients in order to ensure that they act within their mandate of only providing support and assistance to clients.

g) The total commission amount paid to Account/Relationship Managers is not greater than 5% of the total remuneration expense of the Company as depicted in the annual audited financial statements.

7. COMPLIANCE REVIEWS

The Compliance Officer and his assistants perform frequent checks and reviews on a risk-based approach in order to ensure that the Account/Relationship Managers act within their mandate of only providing support and assistance to the clients and do not engage in any kind of actions which may give rise to conflicts of interests.

The checks and reviews performed by the Compliance Officer and his assistants include the following:

a) Periodic review of recorded telephone conversations between the Account/Relationship Managers and clients. In case the conversation was held in a language other than Greek or English, the telephone recording is sent to an external qualified translator for translation in English.
b) Periodic review of live chat conversations between the personnel of the Business Development and Customer Care Department and the clients or potential clients. In case the conversation was held in a language other than Greek or English, the live chat conversation is sent to an external qualified translator for translation in English.
c) Acting as potential clients and engaging in live chat conversations with the personnel of the Business Development and Customer Care Department in order to directly review the process of assisting clients.
d) Periodic review of a sample of cancelled withdrawals, either by the client or by the Company, and confirm that the client was not induced by the Account/Relationship Manager to cancel the withdrawal.

8. COMPLAINTS ROOT-CAUSE ANALYSIS

Client complaints can be considered as an objective and critical feedback towards to the Company's quality of services. As per the Company's Complaints Handling Policy, all the clients' complaints are being thoroughly reviewed and the required remedial course of action is taken, if necessary.

As part of the complaint review process in order to find the root-cause of the complaint, the Compliance Officer is reviewing all the correspondence the client had with his/her Account/ Relationship Manager in order to ensure that the information provided to the client does not give rise to any conflicts of interest.

9. RISK BASED APPROACH

Top commission earners are recognized as being potentially higher risk and, as a result, additional compliance scrutiny is applied to them.

10. DISCIPLINARY ACTION

In case the Compliance Officer identifies any incidents of Account/Relationship Managers acting outside the scope of their mandate, the Compliance Officer submits his findings to the Senior Management together with proposals for corrective action.

Following review by the Senior Management, disciplinary action is taken in accordance with the Company's Disciplinary Policy if deemed necessary. Such action may include the oral disciplinary warning, written disciplinary report or even the dismissal of the employee.

11. TRAINING

The Compliance Officer provides, at least, annual training to all the employees of the Business Development and Customer Care Department in order to ensure that all employees fully understand the Company's policies and procedures and fully adhere to those.

Throughout the performance of the compliance checks and reviews, the Compliance Officer may consider that certain employee(s) may require additional, ad-hoc, training. In this respect, training sessions are scheduled as applicable.

12. RECORD KEEPING

The Compliance Officer ensures that the following are well recorded and kept in the Company's files:

a) Information gathered for all compliance checks and reviews.

b) Analyses and relevant results of all compliance checks and reviews.

c) Reports to Senior Management.

d) Training material and attendance list for all training sessions held.

e) Disciplinary reports.