I. GENERAL PROVISIONS

1.1. The Remuneration Policy (hereinafter, the **Policy**) sets out the requirements to be followed by Artea Asset Management UAB (hereinafter, the **Company**) when determining and paying remuneration, allowances, bonuses, other payments or incentives awarded to employees for their performance, as well as other benefits, thereby ensuring transparency, the effective management of remuneration costs and the creation of incentives for employees to contribute to the implementation of the mission, vision, values, long-term objectives and business and risk management strategy of Artea Bankas AB (hereinafter, the **Bank**)/the Company.

1.2. The Policy aims to promote responsible business practices, fair treatment of customers and investors, ensuring that the principles of their protection are upheld when the Company provides services, and to help avoid conflicts of interest in relations with customers and investors, so that forms of monetary and/or non-monetary remuneration do not become incentives for employees to pursue their own interests or those of the Company, to the detriment of the interests of customers and investors, but also to align the performance objectives of the Company's employees with the long-term interests of the Company and the funds it manages. The Policy promotes sound and effective risk management but does not encourage the assumption of risks that exceed the Bank's and the Company's acceptable risk limits.

1.3. The Policy is in compliance with the operational and risk strategy of the Company as well as its objectives, including those in relation to the environmental, social and governance (**ESG**) risk, the values and culture of the organisation as well as the long-term interests of continuing operations aimed at increasing the long-term value of the Company's shares of, avoiding conflicts of interest, promoting sound and efficient risk management as well as sound management of the risks of money laundering, terrorist financing and the circumvention of international sanctions, and sets out the processes and principles followed in paying remuneration. The Policy is aligned with the Company's risk management system. The remuneration components, their structure and the criteria for their allocation, as set out in the Policy, are designed in such a way as to avoid encouraging the taking of excessive risks that exceed the limits of the Company's risk appetite. The risk management function is involved in the review of the Remuneration Policy to ensure that it is consistent with the Company's risk management principles.

1.4. The Policy is gender-neutral, i.e., it is based on the principal of equal pay for equal work or work of equal value for workers of either gender.

1.5. This Policy has been drawn up in accordance with and in implementation of the following legislation:

1.5.1. the Remuneration Policy[1] of the Bank, the Company's sole shareholder, and the Bank's procedure for awarding annual variable remuneration;

1.5.2. the European Securities and Markets Authority's guidelines of 14 October 2016 on sound remuneration policies under the UCITS Directive (ESMA/2016/575-LT) (hereinafter, the **ESMA Guidelines**); Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector;

1.5.3. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;

1.5.4. the Rules on the Organisation and Operation of Management Companies approved by Resolution No. 03-144 of 12 July 2012 of the Board of the Bank of Lithuania;

1.5.5. the Requirements for the Remuneration Policy for Employees of Pension Fund Management Companies approved by Resolution No. 03-166 of 12 July 2012 of the Board of the Bank of Lithuania;

1.5.6. the Law on Collective Investment Undertakings of the Republic of Lithuania;

1.5.7. the Law on Supplementary Voluntary Pension Accumulation of the Republic of Lithuania;

1.5.8. the Labour Code of the Republic of Lithuania.

1.6. Given that the Company is part of the Bank's group of companies (hereinafter, the **Group**), the Bank's Remuneration Policy applies to the Company to the extent set out therein. The Bank's Remuneration Policy applies directly to the Company's employees, who are defined in the Bank's

[1] The policy is published on the Bank's website at www.artea.lt

Remuneration Policy as "Nominated Employees" (where such employees are identified in accordance with the Bank's Remuneration Policy and other internal regulations of the Bank).

1.7. This Policy applies to all employees of the Company, including the Company's Nominated Employees, but excluding Nominated Employees as defined in the Bank's Remuneration Policy.

1.8. No Remuneration Committee has been established within the Company, taking into account the Company's size, organisational structure and the nature, scope and complexity of its operations, as well as the size of the funds under management. The determination of remuneration, payment and other related matters concerning senior executives responsible for risk management and compliance are directly overseen by, and decisions on these matters are taken by, the Board of the Company.

1.9. The terms used in this Policy shall have the meanings set out in the Bank's Remuneration Policy, except for the terms listed below:

1.9.1. **employee** – a person bound to the Company by an employment relationship;

1.9.2. **Company's Nominated Employees** – employees of the Company whose professional activities and/or decisions have a significant impact on the nature and extent of the risks assumed by the Company or on the nature and extent of the risks of the funds it manages, and who, pursuant to the applicable legislation of the Republic of Lithuania and the European Union, this Policy and other internal regulations, are regarded as recipients of annual variable remuneration. For the purposes of this Policy, the Company's Nominated Employees do not include persons who are classified as the Bank's Nominated Employees, to whom the Bank's Remuneration Policy applies directly and, accordingly, this Policy does not apply. Further information on the designation of the Company's Nominated Employees is set out in Section 5 of the Policy;

1.9.3. **Heads of control functions** are employees (managers) who are responsible for ensuring the proper functioning of the risk management, compliance and internal audit functions within the Company. Employees performing these functions are regarded as the Company's Nominated Employees;

1.9.4. **Base coefficients for annual variable remuneration (AVR)** – these may be set for the Company's Nominated Employees and applied when calculating annual variable remuneration. The Board of the Company sets the base AVR coefficient for the Company's CEO, subject to the approval of the Bank's Management Board and the opinion of the Bank's Remuneration Committee. The base AVR coefficients for the Company's Nominated Employees are set by the Board of the Company.

II. REMUNERATION SYSTEM AND PRINCIPLES

2.1. The remuneration system is a set of remuneration package elements used by the Company to attract, motivate and retain the best employees who would help implement the long-term objectives and the business strategy of the Company.

2.2. The Remuneration System is formed on the basis of the following principles:

2.2.1. Internal fairness – measured based on the responsibilities assigned to an employee, their performance, efforts, competencies, knowledge and skills, working conditions, etc.; posts of equivalent status are remunerated similarly;

2.2.2. External competitiveness – the remuneration is competitive with regard to the labour market of the country where the employees work, so as to make it possible to attract motivated employees and retain the necessary ones;

2.2.3. Transparency – each employee must have a clear understanding of the procedure for establishing his/her remuneration and of the performance results, competences and qualifications which determine its amount;

2.2.4. Flexibility – whenever it is necessary to recruit or retain an employee whose work is important for the Company's operations, or to manage risks arising from employee turnover and changes in the workforce, the Company's decisions may derogate from this Policy, without prejudice to the fundamental principles of fixed-variable remuneration ratio.

2.3. A uniform remuneration system applies to employees, without discrimination on the grounds of gender, age, nationality, race, social status, religion, sexual orientation, political views, etc.

Remuneration is established with due regard to the knowledge, experience, qualifications, responsibilities, performance and quality of work, job position of the employee, the remuneration range applicable to the job position level, etc. The Group monitors gender pay gaps and, where necessary, takes action to reduce them.

2.4. In order to be able to attract and retain employees with the experience, competence, qualifications and motivation necessary for the management of the Company, while taking into account the Company's financial capabilities, the remuneration of the employees of the Company is based on the national and/or specific sector median market remuneration. Where there is a shortage of specific expertise in the market, remuneration for staff may be based on the top quartile or decile.

2.5. Employment contracts are concluded for an indefinite period and, where appropriate, for a fixed period.

2.6. The Group does not have a pension scheme and agreements for early retirement are not concluded. The Group does not enter into any prior agreements regarding the amounts of severance pay or non-competition compensation.

2.7. The amounts of payments and compensation relating to the termination of employment or the end of a term of office (hereinafter, the **Severance Pay**) are determined based on the mandatory amounts of such payments and/or notice periods laid down in legislation, and the procedures set out in the Bank's/the Company's internal regulations. The Severance Pay shall be granted in accordance with the method of granting the annual variable remuneration applicable to the Company's Nominated Employee and applying the same principles of approval, award and withholding as those applicable to the deferred portion of the annual variable remuneration in accordance with this Policy and other internal documents of the Bank. In all cases, the Severance Pay to the Nominated Employee shall not exceed the ratio of variable to fixed remuneration specified in paragraph 4.10 of the Policy. Severance Pay is considered to be variable remuneration. Severance Pay shall be linked to performance over the performance period and shall be set so as not to reward failure to fulfil obligations or misconduct and/or underperformance.

2.8. The average salary for employees is calculated in accordance with the Group's procedure for calculating average remuneration. For the Company's Nominated Employees, only amounts actually paid during the reference period are included in the calculation of the average salary.

2.9. Taking into account its size, structure, the nature and scope of the duties performed by its staff, the complexity of its operations and the risks it assumes, the Company uses the following elements of remuneration system:

   2.9.1. <u>Fixed remuneration for employees</u> which consists of (i) official remuneration and other related payments (e.g., holiday pay, compensation for unused leave, sick pay, overtime pay, etc.), and (ii) fringe benefits;

   2.9.2. <u>Variable remuneration</u> which includes (i) annual variable remuneration, (ii) supplements, (iii) one-time bonuses, (iv) share options, (v) other payments that are considered variable remuneration by law (e.g., non-compete payment, Severance Pay or relevant part thereof, etc.).

2.10. The Company does not offer guaranteed variable remuneration.

2.11. Employees are prohibited from personally ensuring themselves under insurance strategies or by taking out insurance cover against a decrease of their variable remuneration in order to mitigate the risk determined through the application of the principles for calculating their variable remuneration.

III. FIXED REMUNERATION

3.1. Fixed remuneration is determined, calculated and paid in accordance with this Policy, the Bank's Remuneration Policy and the terms and procedures set out in other internal documents of the Bank and the Company. Fixed remuneration represents a sufficiently high proportion of total remuneration to ensure that employees are not dependent on variable remuneration and that the Group companies are able to pursue a flexible remuneration policy, including the possibility of non-payment of variable remuneration.

Official remuneration of employees

3.2. The official remuneration of employees is determined in accordance with the principle of external competitiveness, the principle of internal fairness, the remuneration range applicable to the job position level, the professional experience, abilities, specific knowledge, skills and competences, efforts, working conditions of the employee and the constraints of the remuneration budget.

3.3. The official remuneration of employees is determined by the Company's CEO, with the exception of (i) the official remuneration of the Company's CEO, which is determined by the Board of the Company, subject to the approval of the Bank's Management Board and the opinion of the Bank's Remuneration Committee, (ii) the remuneration of members of the Company's Investment Committee, which is determined by the Board of the Company, subject to the approval of the Bank's Management Board.

Fringe benefits for employees

3.4. Fringe benefits are long-term benefits, payments or allowances that may be granted to employees at the initiative of the Bank or the Company, and which may be available to a large proportion of the Bank's or the Company's employees or to employees performing specific functions. Fringe benefits are determined in accordance with the procedure laid down in the Company's and/or the Bank's internal regulations.

3.5. Fringe benefits are designed to encourage employee engagement, loyalty, shape the exclusivity of the employer, increase its attractiveness, help reconcile work and leisure, work towards better results and offer a competitive overall remuneration package. The Group seeks to be socially responsible, have regard for the welfare, health and the quality of life of its employees and maintain effective motivational benefits in line with the practices applicable in the labour market.

3.6. Fringe benefits apply regardless of the individual performance of the employees, without providing an incentive to take risks, and therefore they are not considered to be a remuneration for the work or functions performed. Fringe benefits are based on pre-defined criteria, reflect employees' professional experience and are irrevocable for the specified duration of the benefit and/or for as long as the employee holds the specific position for which a particular fringe benefit was granted, in accordance with the Bank's and/or the Company's internal regulations and the fringe benefits, limits and/or standards set out therein.

IV. VARIABLE REMUNERATION

4.1. Variable remuneration is determined, calculated and paid in accordance with this Policy and other internal regulations of the Bank and/or the Company.

4.2. Variable remuneration calculation models are designed to align with the Company's and the Group's business strategy, objectives, values and long-term interests in the continuity of operations, as well as to promote sound and effective risk management, help prevent conflicts of interest, ensure compliance with the Code of Ethics, and ensure that employees are not encouraged to take on excessive risks that are unacceptable to the Company and/or the Group, whilst also safeguarding customer protection principles when the Company provides services and ensuring that customers' interests are not compromised.

4.3. The variable remuneration pool is established following an assessment of the Company's and the Group's operating results, taking into account current and future risks, as well as the costs of capital employed and maintaining liquidity. The variable remuneration pool and its size must not restrict the Company's/the Group's ability to strengthen its capital base. Heads of control functions (with the exception of the head of the internal audit function) where they have concerns regarding the impact on staff behaviour and the level of risk associated with the activities carried out, shall, within the scope of their remit, contribute to the establishment of variable remuneration pools, the setting of performance criteria and the awarding of variable remuneration.

4.4. Variable remuneration is paid with the aim of aligning employees' individual performance targets with the long-term interests of the Company/the Group, in order to ensure sustainable business growth and to encourage employees to act with integrity, honesty, transparency and professionalism, whilst respecting the rights and interests of customers.

4.5. The Company incorporates not only financial but also non-financial indicators, including ESG risk management, into the performance assessment criteria used to determine variable remuneration. Account is taken of the sustainability principles applied by the Company and ESG risk management in accordance with the provisions of the Company's Responsible Investment and Sustainability Risk Integration Policy. In all cases, when setting operational objectives, the Company does not encourage the assumption of excessive sustainability-related risks.

4.6. The amount of variable remuneration is based on an assessment of the achievement of pre-defined targets and the performance of the Group, the Company, the funds managed by the Company, individual divisions, certain business areas and the employee. The variable remuneration awarded to an employee may depend on the job position of the employee, the importance of his/her decisions that may have a significant effect on the risk taken by the Company and the Group. When assessing the achievement of an employee's individual annual targets and his/her results, the focus is not only on the personal financial results achieved, but also on non-financial and non-quantitative contributions (e.g., compliance with the Group's Code of Ethics and values; relations with customers and investors/colleagues; adherence to standards; compliance with the requirements set out in internal documents; initiative; leadership; participation in project work; and operational improvement).

4.7. The variable remuneration of the heads of control functions is awarded for the work performed and the results delivered in connection with the performance of their assigned functions; the performance of the units under their control is not taken into account. It may be linked, however, to the overall performance of the Bank/the Group/the Company or the performance of certain lines of business unrelated to the units under their control.

4.8. The Board of the Company determines variable remuneration of the Company's CEO, subject to the approval of the Bank's Management Board and the opinion of the Bank's Remuneration Committee. Variable remuneration of the Company's Nominated Employees is approved by the Board of the Company, taking into account the proposal made by the Company's CEO. For other employees of the Company, variable remuneration is determined by the Company's CEO, and the Board of the Company approves the overall proposal regarding the award of variable remuneration.

Annual variable remuneration

4.9. Annual variable remuneration may only be awarded to the Company's Nominated Employees.

4.10. The annual variable remuneration pool for the Company's Nominated Employees is approved by the Board of the Company, taking into account the approved remuneration budget for the Company/the Group.

4.11. In accordance with the Bank's Remuneration Policy, annual variable remuneration may be awarded to the Company's Nominated Employees, whilst maintaining an appropriate balance between the variable and fixed remuneration components, and allowing for a flexible policy regarding variable remuneration components, i.e., the variable remuneration awarded for one (1) calendar year may not exceed 100 per cent of the total fixed remuneration components received during the same one (1) calendar year for which the variable remuneration was awarded (i.e., the ratio of variable to fixed remuneration may not exceed 100 per cent), in order to promote sound and effective risk management, except where the Company's General Meeting of Shareholders, in accordance with the requirements of the law, increases the maximum ratio of variable to fixed remuneration to 200 per cent. The actual ratio between variable and fixed remuneration in the Group is calculated by adding up all components of the variable remuneration awarded to the Company's Nominated Employee over a certain period and dividing their sum by the amount of the fixed remuneration components awarded during the same period.

4.12. When calculating the ratio of the variable and fixed remuneration components for a Nominated Employee of the Company, the amount of the Severance Pay that exceeds the Severance Pay amounts set out in the applicable legislation or in decisions of public authorities (courts, etc.) is considered to form part of the variable remuneration.

4.13. Annual variable remuneration, including any deferred portion (if applicable), may be awarded, approved, granted and paid only if the financial position of the Company/the Bank/the Group is sustainable, subject to ex-ante adjustments and/or ex-post adjustments, if applicable under internal regulations, and without prejudice to the legal requirements. When assessing current and potential future risks, including ESG risks, that arise from or are directly related to the payment of annual variable remuneration, the Company's/the Bank's quantitative and qualitative criteria are used as a guide. Quantitative criteria are the capital, liquidity and sustainability risk indicators set by the Company/the Bank, whilst qualitative criteria are the business continuity risk management indicators set by the Company/the Bank. Annual variable remuneration must be reduced or withheld at the proposal of the Company and/or the Bank if the Company's/the Bank's/the Group's operating results do not meet the targets set out in the strategy, or the business is loss-making, the established ex-ante assessment criteria are not met, or a Nominated Employee of the Company has acted dishonestly or his/her actions have resulted in a loss to the Company, the Bank or the Group. Annual variable remuneration may be withheld if the Company's Nominated Employee has not worked for a full calendar year.

4.14. The amount of annual variable remuneration for the Company's Nominated Employees is determined based on financial and non-financial results, i.e., the results of the assessment of the achievement of the Company's/the Bank's/the Group's targets, the achievement of the targets of a division/certain business areas/personal targets of the Company's Nominated Employee and the weights assigned to these targets, the base AVR rates approved by the relevant body (if any are established), and any applicable adjustments to the calculated annual variable remuneration rate, which may be influenced by the employee's non-financial/non-quantitative contribution and are linked to the risk assumed. The criteria for calculating annual variable remuneration and target ratios are affected by the job position and responsibility, the effect on operating performance as well as the existing and future risks.

4.15. When calculating annual variable remuneration, the relative importance of the performance results at each level (job category) to the Bank/the Company is determined by applying specific ratios/weightings, which are approved by the Board of the Company:

4.15.1. the Company's performance results carry greater weight than the Bank's performance results – in the case of the Company's CEO;

4.15.2. individual performance results carry greater weight than those of the Company, a division or specific business areas – in the case of other Nominated Employees of the Company and heads of control functions.

4.16. The annual variable remuneration may be granted in one of the following ways:

4.16.1. **50 % is paid in cash (without deferral) and 50 % is paid in shares of the Public Limited Liability Company Artea Bankas (hereinafter, the Bank's shares), subject to a three-(3) year deferral period** from the date of award of the annual variable remuneration until the date of payment of the deferred portion, taking into account the potential risks associated with the performance evaluation results of the Company's Nominated Employee;

4.16.2. **100 % is paid in cash (without deferral)** – this method may be used where the annual variable remuneration awarded for a given financial year does not exceed EUR 15,000 (gross) and does not represent more than 20 % of the total fixed annual remuneration of the Nominated Employee of the Company to whom the annual variable remuneration is awarded.

4.17. Annual variable remuneration for the Company's Nominated Employees performing internal control functions (risk management, compliance, internal audit) is awarded in accordance with sub-paragraph 4.16.2 of the Policy. For other Nominated Employees of the Company (including Nominated Employees performing internal control functions who do not meet the conditions set out in sub-paragraph 4.16.2 of the Policy), annual variable remuneration is awarded in accordance with sub-paragraph 4.16.1 of the Policy. By decision of the relevant body of the Bank/the Company, annual variable remuneration may be awarded in accordance with sub-paragraph 4.15.2 of the Policy, provided that the conditions are met.

4.18. When approving the award of annual variable remuneration:

4.18.1. the method used to determine the annual variable remuneration shall be specified;

4.18.2. the amount of the annual variable remuneration awarded shall be specified.

4.18.3. the portion of the deferred annual variable remuneration that has been awarded shall be specified, indicating the performance year for which it has been awarded and when the deferred portion shall be granted, including the applicable retention period, if approved.

4.18.4. the approved deferred portion of the annual variable remuneration shall be specified, indicating the performance year for which it is approved and when the deferred portion shall be granted, including the applicable retention period, if approved.

4.19. The deferred portion in Shares, i.e., the total number of Shares awarded, shall be calculated taking into account the amount of the annual variable remuneration awarded, the method of award of the annual variable remuneration and the average market price of the Share. The calculation of the average market price of the Share is approved by the Bank's Management Board.

4.20. The deferred portion of the annual variable remuneration awarded for each year must be approved by the relevant governing body of the Bank/the Company in accordance with the following principles:

4.20.1. the approval of the first deferred portion shall take place one year after the award of the annual variable remuneration by approving the specific deferred portion of the annual variable remuneration awarded, and the other deferred portions of the annual variable remuneration shall be approved pro rata on an annual basis, taking into account the length of the deferral period;

4.20.2. the deferred portion awarded at the time of approval may be adjusted downwards (with the right to reduce it to zero) following the application of ex-post corrections, where applicable, and without prejudice to the requirements of the relevant legislation;

4.20.3. the annual variable remuneration is awarded only after an annual performance review and based on the results of the most recent year's performance review, i.e., the approval of the deferred portion must be based on the results of the employee's performance reviews of at least the 3 most recent years. Where the duration of the employment relationship or the contract with an employee is less than 3 years, account is taken of the available performance review data of the employee.

4.21. Principles for granting the approved deferred portion(s) of the annual variable remuneration (transfer of the Bank's shares to the Nominated Employee's ownership):

4.21.1. where a 3-year deferral period applies – 3/3 of the deferred portion is granted 3 years after the annual variable remuneration has been awarded;

4.21.2. a retention period applies to the portions awarded;

4.21.3. if the Company's Nominated Employee terminates employment relationship during the deferral period, the unpaid deferred portion shall be granted in accordance with the requirements set out in sub-paragraphs 4.21.1–4.21.2 of the Policy;

4.21.4. The Company's obligation to grant the approved deferred portion remains until the full deferred portion has been granted (subject to ex-post adjustments).

4.22. The deferred portion may be released to the Company's Nominated Employee under an option agreement (option contract) between the Bank/the Company and the Company's Nominated Employee whereby the Bank grants the Company's Nominated Employee the right to acquire the Bank's shares free of charge upon the expiry of the deferral period, or other method established by the Management Board of the Bank may be used.

4.23. The Bank's shares as a portion of the annual variable remuneration payable to the Company's Nominated Employees are awarded in accordance with the Rules for Awarding Shares approved by the General Meeting of Shareholders of the Bank; they are awarded to ensure the interest of the Group in increasing employee engagement, promoting long-term employment with the Company and pursuing its long-term strategic objectives.

4.24. In case of expiry of an employment contract with the Company's Nominated Employee, an agreement on the procedure for the payment of annual variable remuneration and/or outstanding portions thereof is made. Any outstanding variable remuneration due to the Nominated Employee as at the date of his/her termination of employment shall be allocated/paid in accordance with the employee's performance over the relevant period, the length of service during that year, and in such a way that the employee shall not be remunerated if his/her performance resulted in a loss to the Company, the Bank or the Group, with the exception of mandatory payments provided for by law. The award/approval of annual variable remuneration is carried out in accordance with the standard procedure and at the same time as annual variable remuneration is awarded/approved to other Nominated Employees of the Company, regardless of the date on which the employee's employment ends. The same rules shall apply in the event that no agreement can be reached with the dismissed Nominated Employee of the Company as provided for herein.

4.25. The procedure for the allocation, approval and payment of annual variable remuneration to the Company's Nominated Employees may be set out in further detail in other internal documents of the Bank/the Company.

Retention period

4.26. The annual variable remuneration or portion thereof granted in the Bank's shares and Severance Pay granted in whole or in part in the Bank's shares are subject to a retention period. Retention period is a one-year restriction period for the right of transfer, starting from the date of the granting of shares, during which the Company's Nominated Employee may not transfer, pledge, otherwise encumber or otherwise dispose of the shares granted.

4.27. During the retention period, the accounting of the Bank's shares granted to the Company's Nominated Employee and other necessary actions shall be carried out in accordance with the procedures set out in the Bank's/the Company's internal documents.

4.28. During the retention period, the Bank may recover up to 100% of the Bank's shares granted if the Company's Nominated Employee is found to have committed fraud or other deliberate or grossly negligent conduct which has resulted in a significant loss to the Bank and/or the Company.

Bonuses

4.29. Bonuses are a form of variable remuneration which may be awarded to the Company's employees, with the exception of the Company's Nominated Employees. Bonuses are awarded and paid in cash, taking into account the performance of the Bank, the Group, the Company, individual divisions and their employees over the previous period (e.g., a quarter, a year or another previous period). Bonuses may be paid quarterly, annually or at any other frequency determined by the Board of the Company or the Bank's Management Board.

4.30. As set out in the Bank's Remuneration Policy, the amounts in the Bonus pool for the Company are approved by the Bank's Management Board.

4.31. The awarding and payment of Bonuses to the Company's employees are governed by the Bank's Procedure for Granting Bonuses, which applies directly to the Company as well.

Share options

4.32. Share options are an incentive scheme for the Company's employees, other than Nominated Employees, which falls within the category of variable remuneration and entitles a Company employee, upon expiry of the term specified in the option agreement and upon fulfilment of the other conditions set out therein and in the internal regulations governing the granting of share options, to acquire the Bank's shares free of charge or at a preferential price.

4.33. The terms and conditions for the granting of share options, including the categories of the Company's employees eligible for this incentive scheme, the rules for determining the number of shares covered by the options, and the procedure for concluding and exercising option agreements, shall be established by the Bank.

One-time bonuses

4.34. One-time bonuses are a component of variable remuneration awarded at the initiative of the Company or the Bank, which may be granted to reward an employee for a job well done, for the performance or results of an individual or a group of employees, for exceptional commitment to values, for project activities and results, loyalty, etc. One-time bonuses are awarded and paid in cash or provided in other forms (for example, gift vouchers or other types of prizes), provided this does not contravene the law, taking into account the added value generated, the scope of work, the significance of the project, the project timeline, the personal time spent on preparation and participation, under employee reward schemes, etc.

4.35. One-time bonuses include retention bonuses, which are awarded on the initiative of the Bank and the Company in exceptional circumstances; the following requirements must be met when awarding and paying such bonuses:

4.35.1. may be used to retain key staff while the Company is carrying out important projects or in the event of other significant developments affecting the Company;

4.35.2. the decision to award a retention bonus shall specify the grounds for its award, the period, the applicable conditions and the date or event following which it will be determined whether the performance and operational conditions have been met; these conditions must differ from the performance results or targets applied to other components of variable remuneration;

4.35.3. retention bonuses are awarded to an employee who has worked for the Company for the period specified in the decision to award the retention bonus and/or has achieved other performance results or targets relating to the award of the bonus;

4.35.4. an employee may be awarded more than one retention bonus only in exceptional cases, where the bonuses relate to different periods;

4.35.5. a retention bonus may not be awarded to compensate for variable remuneration linked to an employee's performance, or any part thereof, which was not received due to inadequate results or the financial position of the Bank or the Company;

4.35.6. where retention bonuses are applied to Nominated Employees, all the principles governing the award and payment of annual variable remuneration apply to their award and payment, including the maximum permissible ratio of fixed to variable remuneration, ex-post adjustments, payment in the Bank's shares, deferral, retention, clawback and other applicable requirements.

4.36. The decision on whether to award a one-time bonus and on its amount is taken by the person or body responsible for determining the employee's remuneration.

V. DESIGNATING THE COMPANY'S NOMINATED EMPLOYEES

5.1. In accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), and taking into account the ESMA Guidelines, the Company's Nominated Employees are identified based on the following criteria: members of the management body and senior management; heads of control functions; employees responsible for overseeing investment management, administration, distribution and human resources; other employees involved in risk-taking; and positions designated by the Board of the Company whose professional activities may have a significant impact on the Company's operating results.

5.2. The process of designating Nominated Employees involves representatives from the Company's/the Bank's independent risk management, compliance, legal and human resources departments, as well as other departments as required, and, within the scope of its responsibilities relating to the preparation of remuneration decisions, the Board of the Company. All employees involved in the assessment process may, if necessary, exchange available information related to the designation of the Company's Nominated Employees.

5.3. The list of the Company's Nominated Employees is reviewed as and when necessary, for example, following significant changes to the Group's/the Bank's or the Company's governance structure, in accordance with the criteria set out in legislation, while taking into account other possible additional criteria (where appropriate) that reflect the level of risk associated with the various activities carried out and the impact of employees on the nature of that risk.

5.4. The list of the Company's Nominated Employees shall be approved by the Board of the Company, subject to the designation report. The relevant competent bodies, departments and staff of the Bank are entitled to access the designation report on the Company's Nominated Employees and the list of the Company's Nominated Employees.

VI. FINAL PROVISIONS

6.1. The Policy (and any amendments thereto) is drawn up by the Personnel Department, in consultation with the Legal Department, in accordance with the requirements of legislation, the guidelines and recommendations of supervisory authorities, and the Bank's Remuneration Policy. The Company's Policy, having received the approval of the Company's CEO, together with the views of the Company's Compliance Officer and Risk Management Officer and, where necessary, the comments and proposals of other control function departments and/or external experts, is submitted to the Company's Board for approval.

6.2. The Policy is reviewed at least once a year and is updated in all cases following any changes to the Bank's Remuneration Policy or in the event of significant regulatory, organisational or business changes.

6.3. The Board of the Company is responsible for establishing Policy principles and remuneration system models, as well as for supporting, implementing and monitoring the implementation of the Policy.

6.4. The Company’s internal auditor and employees responsible for control functions shall carry out a centralised and independent internal audit of the Company at least once a year, with the aim of determining whether the Policy is being implemented appropriately. The Board of the Company is informed of the results of this audit.
6.5. When implementing the provisions of this Policy, conflicts of interest must be avoided in accordance with the Bank’s Conflict of Interest Management Policy, which applies directly to the Company, and the Company’s Conflict of Interest Management Procedure.
6.6. The Policy is published on the Company’s website.
6.7. The Company discloses information regarding the implementation of the Policy only in accordance with the requirements of mandatory legislation and without prejudice to the provisions on confidentiality and the requirements for the legal protection of personal data.