



NBG Asset Management Luxembourg Remuneration Policy

NBG Asset Management Luxembourg, S.A (also named “NBG AM Luxembourg”) is a public limited company (*Société Anonyme*) organised under chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended from time to time (*loi concernant les organismes de placement collectif*) (the “2010 Law”) which implemented into the Luxembourg law (i) the Directive 2009/65/EC of the Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time (the “Directive 2009/65/EC”) and (ii) the implementation measures of the Directive 2009/65/EC. The NBG AM Luxembourg is a subsidiary of National Bank of Greece S.A. (NBG S.A.).

NBG AM Luxembourg is committed to conducting its business in accordance with applicable laws and regulations, and in a way which protects its reputation in the market. It is crucial that each employee shares in this commitment.

Regulatory Framework

The below regulatory framework is applicable to NBG AM Luxembourg in the context of remuneration (non-exhaustive):

- The Luxembourg Law dated 10 May 2016 on UCITS V (“UCITS V Law”)
- ESMA Guidelines on sound remuneration policies under the UCITS Directive dated 14 October 2016/575
- In compliance with Articles 111a and 111b of the 2010 Law and/or Article 12 of the 2013 Law respectively (Circular 18/698, point 388)
- The guidelines of the European Securities and Markets Authority ESMA/2016/5758. (Circular 18/698, point 389)
- Commission Recommendation 2009*384/EC of 30 April 2009
- Labour Code of Luxembourg
- Circular CSSF 10/437,
- Directive 2014/91/EU (UCITS V) of July 23rd, 2014
- Regulation (EU) 2019-2088 on sustainability-related disclosures in the financial sector (“SFDR”)

Disposition

The remuneration policy is consistent and promotes sound and effective risk management and does not encourage risk-taking, which is inconsistent with the risk profile, rules or instruments of incorporation of the UCITS managed.

The remuneration policy is in line with the interests of NBG Asset Management Luxembourg and the UCITS it manages and the interest of investors of such UCITS in order to avoid conflicts of interest.

The NBG AM Luxembourg’s remuneration policy supports appropriate management of all relevant business risks by including sustainability risks in accordance with the SFDR. Sustainability risks reflect the relevant environmental, social and governance aspects as well as the main principal adverse impacts and are defined in such a way that the remuneration structure does not encourage excessive risk-taking in relation to direct or indirect sustainability risks.



Scope of the Policy

Persons which fall within the scope of the UCITS V Laws: Identified staff

This policy covers all employed and seconded staff, full-time or part-time, while the identified staff under the UCITS-V Law includes the following persons:

- Directors: Executive and non-executive members of the Board of Directors
- Senior Management: the Conducting Officers
- The staff of the control functions: Risk Management, Compliance officer, Internal Audit
- Staff responsible for heading the investment management, administration, marketing, human resources

Identified staff include any other risk takers whose professional activities have a material impact on the risk profile of NBG AM Luxembourg or any UCITS it manages and who receive total remuneration that takes them into the same remuneration bracket as senior management and risk takers (including persons capable of entering into contracts / positions and taking decision that have a risk impact on profile of NBG AM Luxembourg or any UCITS it manages). Such staff can include for instance sales persons, individual traders, and specific trading desk.

The NBG AM Luxembourg has reviewed its list of identified staff in relation to sustainability risks

Delegations of activities

NBG AM Luxembourg ensures that the entities to which portfolio management activities have been delegated are subject to regulatory requirements on remuneration that are:

- Equally as effective as those under the UCITS rules and regulations, or
- That appropriate contractual arrangements are entered to ensure there is no circumvention of the remuneration rules with respect to payments made to identify staff within the delegate.

Proportionality

NBG AM Luxembourg applies the proportionality principle by considering the following criteria:

Size

- Total value of Assets under Management are below €1 bn;
- Number of employees and seconded staff are less than 10 employees;
- No branch or subsidiary.

Internal Organization

- Legal structure: public limited company;
- Complexity of the internal governance: very standard internal governance with a Board of Directors; Conducting Officers and general meeting of shareholders;
- Listed on Regulated market: No.

Nature, Scope Complexity of Activities

- Type of authorized activity: Collective management of UCITS;
- Type of investment policies and strategies: manage portfolios of transferable securities, with simple strategies limited use of derivatives;
- No cross-border activity.



Considering the combination of all the mentioned criteria (size, internal organization and the nature, scope and complexity of the activities) NBG AM Luxembourg is considered a small company.

By application of the proportionality, the following principles does not apply:

- The requirements on pay-out processes for identified staff including:
 - a. The payment of variable remuneration in instruments related mainly to the UCITS in relation to which they perform their activities;
 - b. Deferral requirements;
 - c. Retention periods;
 - d. Ex-post incorporation of risk (Malus).
- The requirement to establish a remuneration committee.

Remuneration Structure Overview

This policy is aimed at aligning remuneration with prudent risk-taking. The design of the remuneration system is consistent with the objectives set out in NBG AM Luxembourg's strategy and lies in:

- A proper balance of variable to fixed remuneration;
- The measurement of performance.

NBG AM Luxembourg offers remuneration packages based on the following components:

- Fixed salary (i.e. base salary);
- Variable pay;
- Benefits.

Base Salary

The base salary 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.

Variable Pay

NBG AM Luxembourg has a performance-based culture and such rewards its employees through variable pay. This is designed to attract, retain and motivate its staff without encouraging the taking of inappropriate risk.

NBG AM Luxembourg applies the proportionality principle (see point 2.3) and therefore is not obliged to defer portion of variable remuneration.

The variable remuneration is paid or vested only if it is sustainable according to the financial situation of NBG AM Luxembourg as a whole, and justified according to the performance of NBG AM Luxembourg, the UCITS and the individual concerned.

Variable remuneration is not paid through vehicle or methods that are used to artificially circumventing the remuneration provisions of the UCITS V Laws including the outsourcing of professional services to



firms that fall outside of the scope of UCITS V Laws and the setting up of structures or methods through which the remuneration is paid in the form of dividends or similar pay outs.

Short-term Incentives: Discretionary bonus – annual cash bonus

The purpose of the discretionary bonus is to annually reward and incentivise excellent performance and to align the success of NBG AM Luxembourg with that of the employee. Discretionary bonuses are intended to reflect contribution to the overall success of NBG AM Luxembourg and are designed to take a long-term view of NBG AM Luxembourg's development.

All employed and seconded staff are eligible to receive a discretionary bonus.

Specific Applicable Provisions:

I. Remuneration of the Members of the Board

The members of the Board may receive director fees. The remuneration of the Board members is assigned to meeting of the shareholders of the management company.

II. Remuneration of the Conducting Officers

The Conducting Officers may, on top of their fixed and variable pay, receive profit shares, (i.e. “*Parts Bénéficiaires*”). Such remuneration has to be approved by the Board of Directors and the General Meeting of the shareholders.

III. Remuneration of Control Functions

Employees who fall under this arrangement include the managers of the control functions i.e. the Permanent Risk Manager, the Compliance Officer and the Internal Auditor as well the employees of the control functions.

In case the employees performing control functions receive variable remuneration, it will be based on function specific objectives and will not be determined solely by the management company wide performance criteria.

Benefits

In addition to the fixed and variable pay, NBG AM Luxembourg may offer a range of benefits including:

- Health insurance;
- Pension plan;
- Luncheon vouchers;
- Company car.

Guaranteed Variable Remuneration

Guaranteed payments (e.g. welcome bonus) can only be used in exceptional circumstances (i.e. only when hiring new staff) and is limited to the first year of employment.

Long-Term Incentive

NBG AM Luxembourg has for now no long-term incentive plan so that this provision is not applicable at present.



Hedging Strategy

NBG AM Luxembourg monitors that employees do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

NBG AM Luxembourg ensures that the payment of variable remuneration is not made through vehicles or methods that facilitate the avoidance of the requirements of the UCITS V Laws.

Bonus Withholding (*ex-post risk adjustments*)

As long as this is allowed by the applicable rules and regulations, NBG AM Luxembourg reserves the rights to withhold variable remunerations in the following conditions:

- Evidence of misbehavior or serious error by the staff member (e.g. breach of code of conduct, if any, and other internal rules especially concerning risks);
- When the UCITS and/or NBG AM Luxembourg suffers from a significant failure of risk management;
- When NBG AM Luxembourg suffers or expects a significant downturn in its financial performance.

If any of the above holds there might be a bonus withholding. The decision will be taken by the Board of Directors.

Severance Payment

The payments related to the early termination of a contract, which are awarded on a contractual basis, are designed in a way that corresponds to the employee effective performances during the employment period and that does not reward failure (e.g. golden parachute).

The amounts and the criteria of the severance payment are according to the Labour Code.

Exceptions may be possible subject to the approval of the Board of Directors.

Claw Back (*ex post risk adjustments*)

As long as this is allowed by the applicable rules and regulations, NBG AM Luxembourg reserves the right to demand full or partial repayment from the individual who has been awarded variable remunerations in the following conditions:

- Fraudulent conduct of staff member;
- Misleading information by a staff member;
- Breach of UCITS V Laws or ESMA guidelines.

Pension Policy

There is currently no discretionary pension benefits paid to the employees. The employees may benefit only from a defined contribution pension scheme.

Appraisal Process

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 UCITS concerned and of the overall results of NBG AM Luxembourg.



The Remuneration Policy approved by Board of Directors of NBG Asset Management Luxembourg on March 08, 2021

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by NBG AM Luxembourg in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks.

The measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and futures risks.

The variable remuneration will be determined by the individual performance employee, the performance of his/her business line and the performance of the management company.

The appraisal process will rely on financial and non-financial criteria as follows:

- The financial criteria may include the financial accounts of NBG AM Luxembourg, such as revenue, profitability, and growth in revenue and profitability;
- The non-financial criteria may include the obligations associated with the role of the employee, work consistency, objectives achieved, quantity of work, quality of result judgment, initiatives, creativity, team work, constructive attitude, mentoring of subordinates, sharing of knowledge.

NBG AM Luxembourg will ensure that it maintains a prudent balance between sound financial situation and the pay out of variable remuneration, ensuring that the financial situation of NBG AM Luxembourg will not be adversely affected by the overall pool of variable remuneration that will be paid for that year. In this respect, the financial criteria will be considered first in the appraisal of variable remuneration so, in cases of losses or declining profitability of NBG AM Luxembourg no variable remuneration is expected to be paid. Exception can be provided by the Board of Directors in special cases being always in line with the objectives of NBG AM Luxembourg's strategy and with the financial sustainability of NBG AM Luxembourg.

Governance

Board of Directors

The Board of Directors of NBG AM Luxembourg, in its supervisory function is required to approve and annually review the remuneration policy and for overseeing its implementation. The remuneration policy will not be controlled by any executive members of Board of Directors.

The Board of Directors determines the remuneration of the Conducting Officers of NBG AM Luxembourg and approves the variable remuneration of control functions and staff.

Executive Committee

The Executive Committee of NBG AM Luxembourg is in charge of making sure that the remuneration policy is implemented. The Executive Committee will establish and apply a remuneration policy that has to be approved by the Board.

Compliance, Risk and Internal Audit Functions

The compliance, risk management and internal audit functions will be involved in the elaboration of this policy.



The risk management function can validate and assess how the variable remuneration structure affects the risk profile of the management company.

The Compliance function will analyse how the remuneration structure affects the management company's compliance with legislation, regulations and internal policies. The implementation of the policy will be subject, at least on an annual basis, to an independent internal review for compliance.

The internal audit function (or the delegated audit firm) will periodically carry out an independent audit of the design, implementation and effects of the management company's remuneration policies. The outcomes of this review will be reported to the Board of Directors of NBG AM Luxembourg.

Remuneration Committee

NBG AM Luxembourg do not need to establish a Remuneration Committee by application of the proportionality as according to the proportionality principle is considered a small company.

Disclosure

External Disclosure

The details of the remuneration policy will either be included in the prospectus, or, in case only a summary is inserted in the prospectus, the latter will make a reference to the website where the key elements of the remuneration policy are available and mention the possibility to obtain a copy free of charge.

The key investor information document (the "KIID") will also be updated with the link to such website and must also include a reference to the fact that a copy of the remuneration policy is available to investors free of charge upon request.

In addition, the remuneration disclosure is part of the Audited Annual Report of the funds which are available on the NBG AM Luxembourg website.

The information disclosed will be aligned with the applicable Luxembourg UCITS regulation.

Internal Disclosure

The remuneration policy of the NBG AM Luxembourg is accessible to all staff members. NBG AM Luxembourg will ensure that the information regarding the remuneration policy disclosed internally reveals at least the details which are disclosed externally.

The staff members will be informed in advance about the criteria that will be used to determine their remuneration. The appraisal process will be properly documented and will be transparent to the member of staff concerned.

Confidential quantitative aspects of the remuneration of staff members are not subject to internal disclosure. In this respect, the employees are informed in person about their remuneration and performance.

Policy Review & Update

This policy will be reviewed on an annual basis and whenever needed, in order to take into account changes in the legal and regulatory environment applicable to NBG AM Luxembourg's activities. Any change need to be reviewed by the Executive Committee and approved by the Board of Directors. Such approval will be documented in written minutes of the Board of Directors and kept available at the register office of NBG AM Luxembourg.