



# ALMA EUROPE LTD

*(Regulated by the Cyprus Securities & Exchange Commission)*

## REMUNERATION POLICY

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## 1 Purpose

The Board of Directors of ALMA EUROPE LTD (hereinafter, the “Company”) has established the Remuneration Policy (hereinafter the “Policy”) which sets out the principles that govern the remuneration mechanism, procedures, and controls of the Company.

The aim of the Remuneration Policy is to ensure that the Company has risk-focused remuneration policies which are consistent with and promote effective risk management and do not expose the Company to excessive risk, while taking into consideration the business strategy, objectives, values, and long-term interests of the Company. It expands upon the general organisational requirements of the Company as provided under Sections 10(1)(c)(iii), 24(1) and 25(10) of the Laws for the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other Related Matters of 2017-2022 (hereinafter, the “Law”), Articles 2(5) and 27 of the Commission Delegated Regulation (EU) 2017/565 as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of MiFID II (hereinafter, the “Delegated Regulation”).

The Remuneration Policy also fulfils the Company’s obligations under Articles 51- 54 of the Law 97(I)/2021, as amended from time to time, on the Capital Adequacy of Investment Firms (hereinafter, the “Capital Adequacy Law”), the Directive (EU) 2019/2034 on *the Prudential Supervision of Investment Firms*, as well as the provisions of CySEC’s Circulars C031, C138, C145, C240 and C507 on *remuneration policies and practices* as well as any relevant guidance of European Securities and Markets Authority.

Additionally, the Remuneration Policy integrates in Regulation (EU) 2019/2088 (SFDR) of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector purpose of Article 5 of the SFDR.

## 2 Definitions

With exception the instances where it is explicitly defined in the Policy, all terms, explanations and definitions stated herein shall have the meaning and/or definition as per the relevant Regulatory Framework as indicated in Section 3 of this Policy.

Relevant Persons means the persons who can have a material impact on the service provided and/or corporate behaviour of the firm, including persons who are Client facing front-office staff, and/or other staff indirectly involved in the provision of investment and/or ancillary services, whose remuneration may create inappropriate incentives to act against the best interests of the Company’s Clients. Persons involved in complaints handling, claims processing, Client retention and in product design and development are other examples of ‘relevant persons’.

Relevant Person means any of the following:

- a) a director, partner or equivalent, manager or tied agent of the Company;
- b) a director, partner or equivalent, or manager of any tied agent of the Company;
- c) an employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the firm and who is involved in the provision by the Company of investment services and activities;

- d) a natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services and activities.

### 3 Regulatory Framework

The Company is a Cyprus Investment Firm established in accordance with the Laws of the Republic of Cyprus and is registered under Cyprus Company Law (Cap. 113) with registration number HE 401229. It is authorized and regulated as a Cyprus Investment Firm (CIF) with License Number 408/22 by CySEC, under the Law, and subject to CySEC rules and regulations issued from time to time.

The Policy is in accordance with the requirements of (hereinafter collectively as the “Regulatory Framework”):

- a) Directive (EU) 2019/2034 (hereinafter the “IFD”),
- b) Sections 10(1)(c)(iii), 24(1) and 25(1) of the Law,
- c) Articles 2(5), 22(3), 27 and 34 of Commission Delegated Regulation (EU) 2017/565,
- d) Sections 51-54 of the Law on the Capital Adequacy of Investment Firms, L. 97(I)/2021 (hereinafter as the “Capital Adequacy Law”)
- e) CySEC Circular C031 concerning the guidelines on remuneration policies and practices (hereinafter the “C031”),
- f) CySEC Circular C138 concerning the remuneration policies and practices (hereinafter the “C138”),
- g) CySEC Circular C145 concerning the remuneration policies and practices (hereinafter, the “C145”),
- h) CySEC Circular C240 concerning the guidelines on sound remuneration policies issued by the European Bank Authority (hereinafter, the “C240”),
- i) CySEC Circular C507 on the EBA Guidelines on sound remuneration policies under Directive (EU) 2019/2034 (EBA/GL/2021/13) (hereinafter, the “C507”),
- j) The questions and answers 2 and 3 of Chapter 2 of ESMA/2016/904 (hereinafter the “ESMA Q&A”) relating to the provision of CFDs and other speculative products to retail investors under MiFID.

### 4 Notifications to CySEC

The Company should notify CySEC when in case where the remuneration provided, for the persons falling under the scope of this Policy, contain a variable compartment, the variable compartment exceeds the 100% of the fixed compartment (for more details please see point (f) in Section 9 of this Policy).

Moreover, the Law, Directives and Circulars issued pursuant to the Law set out general circumstances in which the CySEC expects to be notified by investment firms of matters relating to their compliance with requirements under the regulatory system. In particular, as regards to remuneration matters, such circumstances should take into account the following:

- a) Any proposed remuneration policies, procedures or practices which could:
  - Have a significant adverse impact on the Company’s reputation; or
  - Affect the Company’s ability to continue to provide adequate services to its Clients and which could result in serious detriment to a Client of the Company; or
  - Result in serious financial consequences to the financial system or to other firms.

- b) Any proposed changes to remuneration policies, practices or procedures which could have a significant impact on the Company's risk profile or resources;
- c) Fraud, errors and other irregularities, which may suggest weaknesses in, or be motivated by the Company's remuneration policies, procedures and/or practices.

Such notifications should be made immediately as soon as the Company becomes aware or has information, which reasonably suggests that such circumstances have occurred, may have occurred, or may occur in the foreseeable future.

## **5 General Requirements – Remuneration Policies must promote effective Risk Management**

The Company must establish, implement, and maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management and do not encourage risk-taking that exceeds the level of tolerated risk of the Company. If the Company's Remuneration Policy is not aligned with effective risk management, it is likely that employees will have incentives to act in ways that might undermine effective risk management.

The Remuneration Policy covers all aspects of remuneration that could impact the effective risk management including salaries, bonuses, and other incentives. In applying the Remuneration Policy, the Company should have regard to applicable good practice on remuneration and corporate governance. In considering the risks arising from its remuneration policies the Company will also need to take into account its statutory duties in relation to equal pay and non-discrimination, as well as any obligations arising from the national contract and labour law. The Remuneration Policy should be a gender-neutral Remuneration Policy.

As with other aspects of the Company systems and controls, in accordance with remuneration policies, procedures and practices must be comprehensive and proportionate to the nature, scale and complexity of the Company's activities. What the Company must do in order to comply with the Remuneration Policy will therefore vary, e.g. while the Remuneration Policy refers to a Company's need for a Remuneration Committee, it may be appropriate based on the size, internal organization, and the nature, the scope and the complexity of the Company's activities for the Senior Management to act as the Remuneration Committee.

The principles in the Remuneration Policy are used by the CySEC to assess the quality of the Company's remuneration practices and whether they encourage excessive risk-taking by the Company employees.

When requested, the Company shall provide to CySEC with evidence of how well the Company's Remuneration Policy meets the remuneration guidelines, together with plans for improvement where there is a shortfall. CySEC also expects investment firms to use the principles in assessing their exposure to risks arising from their remuneration policies as part of the internal capital adequacy assessment process/internal capital and risk assessment ("ICAAP/ICARA").

The Policy's provisions in general covers the (possible) risks occurred from the remuneration arrangements, mechanisms, and controls, and not with the exact amount of remuneration provided, which is generally a matter for the Company's Remuneration Committee which has been substituted by the Senior Management in the case of the Company.

The Remuneration Policy is principally concerned with the risks created by the way remuneration arrangements are structured, not with the absolute amount of remuneration, which is generally a

matter for the Company's remuneration committee which has been substituted by the Senior Management in the case of the Company.

The specific remuneration requirements may apply only in relation to certain categories of employees. The categories include 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 (hereinafter, the "Relevant Employees"), as per Section 51(1) of the Capital Adequacy Law.

Based on regulatory requirements of Section 51(1) of the Capital Adequacy Law the following principles shall be applicable:

- a) Risk Management and Risk Tolerance
- b) Supporting Business Strategy, Objectives, Values and Long-term Interests of the Firm
- c) Avoiding Conflicts of Interest
- d) Governance
- e) Set Criteria for Fixed and Variable Remuneration.

In addition to the above, the Remuneration Policy should contain:

- a) the performance objectives for the Company, business areas and staff;
- b) the methods for the measurement of performance, including the performance criteria.

In order to monitor the application of gender-neutral remuneration policies, the Company should document appropriately the value of the position, e.g. by documenting job descriptions or defining wage categories, for all staff members or categories of staff and determine which positions are considered as having an equal value, e.g. by implementing a job classification system, taking into account at least the type of activities, tasks and duties assigned to the position or staff member. Where a job classification system is used for determining pay, it should be based on the same criteria for men, women and staff of diverse genders and so drawn up as to exclude any discrimination, including on grounds of gender.

The Company may consider in a gender-neutral manner additional aspects when determining the remuneration of staff. Such aspects may include:

- a) educational, professional and training requirements, skills, effort and responsibility, work undertaken and the nature of tasks involved;
- b) the place of employment and its costs of living;
- c) the hierarchical level of the staff and if staff has managerial responsibilities;
- d) the level of formal education of staff; e. the scarcity of staff available in the labour market for specialised positions;
- e) the nature of the employment contract, including if it is temporary or a contract with an indefinite period; the length of professional experience of staff;
- f) professional certifications of staff;
- g) appropriate benefits, including the payment of additional household and child allowances to staff with spouses and dependent family members.

## 6 Record Keeping

In line with the record-keeping requirements provided in the Company’s Internal Operations Manual, the Company shall ensure that its remuneration policies, practices, and procedures are clearly documented.

## 7 Remuneration Principles applicable to the operations of the Company

### 7.1 Application: Categories of staff and proportionality

This section applies to all Relevant Employees.

When establishing and applying the total remuneration policies for staff covered under this Remuneration Policy, the Company complies to the extent that is appropriate to its size, internal organisation and the nature, scope, and complexity of its activities in keeping with remuneration requirements.

Under the provisions of the Law, Directives and Circulars pursuant to this Law:

- a) The Company’s staff comprises of its Relevant Employees, including any external parties or individuals working with the Company on a secondment or outsource arrangement;
- b) Any person who performs a significant influence function for, or is a *senior manager* of the Company, would normally be expected to be part of the Company’s staff covered under its Remuneration Policy;
- c) The table further below provides a non-exhaustive list of examples of key positions that should subject to (d) below, be within the Company’s definition of staff who are risk-takers;
- d) The Company should consider how the examples in the table below apply in relation to their own Organisational Structure as the description of suggested business lines in the first row may be most appropriate to an investment firm;
- e) The Company should find it useful to set its own metrics to identify their risk-takers e.g., based on trading limits.

<b>High-level category</b>	<b>Suggested business lines</b>
Heads of significant business lines and any individuals within their control who have a material impact on the Company’s risk profile.	(a) Reception & Transmission (b) Investment Advice (c) Portfolio Management
Heads of support and control functions and other individuals within their control who have a material impact on the Company’ risk profile.	(a) Accounting controls (b) Compliance (c) Money Laundering Prevention (d) Internal Audit (e) Back Office

### 7.2 Risk Management and Risk Tolerance

The Senior Management shall ensure at all times that its 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.



### **7.3 Supporting Business Strategy, Objectives, Values and the Long-term Interests of the Company**

The Senior Management shall ensure at all times that the remuneration policy is in line with the business strategy, objectives, values and long-term interests of the Company.

### **7.4 Avoiding Conflicts of Interest**

The Remuneration Policy should not create any conflicts of interest and should incorporate measures for the avoidance of such conflicts. Moreover, it should encourage responsible business conduct and promotes risk awareness and prudent risk taking.

### **7.5 Governance**

Under the provisions of the Law and Directives and Circulars pursuant to this Law, the Policy applies to all Relevant Persons, including:

- a) 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, risk takers whose professional activities have a material impact and whose remuneration may create inappropriate incentives to act against the best interests of the Company's Clients;
  - b) the Heads of the Departments (i.e. key management personnel), as well as other persons who oversee Client support personnel (if any) who may be incentivised to pressurize Client support staff;
  - c) specialist third party service providers and in general outsourcing service providers (under section 4 of C138).
- Board of Directors
    - a) Adopts and periodically reviews the general principles of the Remuneration Policy.
    - b) Review and approve Remuneration Policy in accordance with the recommendation of the Compliance Officer.
    - c) Responsible for the implementation of the Remuneration Policy.
    - d) Ensure implementation of the Policy by appropriate functions to promote good corporate governance practices. The Board of Directors is responsible for the implementation of remuneration policies and practices and for preventing, dealing with and mitigating any relevant risks that Remuneration Policy and practices can create.
    - e) Annually (or earlier if deemed necessary) review the Policy, in the context of an internal review for compliance with the relevant legislation as well as to confirm applicability, viability and alignment with the industry's remuneration standards (e.g. to ensure base salary levels are not set at artificially low levels) and make any necessary changes therein.
  - Senior Management
    - a) The Senior Management of the Company is responsible for overseeing the implementation of the Remuneration Policy, following the Board's directions in this regard.
    - b) Utilise Policy to effectively identify and act where Remuneration may incentivize a Relevant Person to act contrary to the best interest of Clients.
    - c) Shall ensure at all times that its 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.
    - d) Shall ensure that at all times the Remuneration Policy is in line with the business strategy, objectives, values and long – term interests of the Company.

- e) Must be able to demonstrate that its decisions in respect to remuneration practices are consistent with an assessment of the Company's financial condition and future prospects. In particular, practices by which remuneration is paid for potential future revenues whose timing and likelihood remain uncertain should be evaluated carefully and the Board of Directors should work closely with the Company's risk function in evaluating the incentives created by its remuneration system.

- Compliance Officer

- a) The Compliance Officer as a control function shall periodically, and at least on annual basis, review the Remuneration Policy for compliance with the applicable legislation and also ensure that its implementation is in compliance with policies and procedures for remuneration adopted by the Board of Directors in its supervisory function as well as all applicable legislation.
- b) Ensure that the Remuneration Policy is in accordance with all laws, rules and regulations provide the Board of Directors with adequate information in case the need arises for updating the policy due to updated regulations.
- c) Verify to the Board of Directors that Company complies with the Policy and report any breach of this policy to the Board of Directors.
- d) Ensure all personnel has read the Policy and all applicable rules and procedures have been adequately understood.
- e) Ensure that all personnel provide a written confirmation for receiving, reviewing and having full understanding of the Policy.
- f) Ensure that all personnel are adequately trained to be able to perform in accordance with this policy.

- Personnel providing Investment services

For all the personnel providing Investment Services, in cases that are remunerated with a variable remuneration, additional checks will be performed by the Company's Compliance Officer and Risk Manager to avoid any potential Conflicts of Interests that may arise and propose any mitigation measures (i.e. dealing personnel will not be incentivised by a variable component of its remuneration based on clients loses as a whole or on any individual trade).

- Accounting and Finance Manager

The Accounting and Finance Manager should ensure that any and all payments of any kind to Relevant Persons are in accordance with Policy. Further, he/she should directly report to the Senior Management any payments or request for payment that are not in accordance with this Policy.

- Internal Auditor

The Internal Auditor should ensure adherence to this Policy and report any deviation from it to the Board of Directors. Further, the Internal Auditor should provide recommendation to the Board of Directors (if any) for the update of the Policy in accordance with the finding.

## **7.6 Profit-based Measurement and Risk Adjustment**

The Senior Management must ensure that any measurement of performance used to calculate variable remuneration components or pools of variable remuneration components:

- a) Include adjustments for all types of current and future risks and takes into account the cost and quantity of the capital and the liquidity required; and
- b) Takes into account the need for consistency with the timing and likelihood of the Company receiving potential future revenues incorporated into current earnings.

The Senior Management must ensure that Company's total variable remuneration is generally 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.

## 7.7 Control Functions

The internal control functions should have sufficient resources, knowledge and experience to perform their tasks with regard to the investment firm's remuneration policy. The control functions should cooperate actively and regularly with each other and other relevant functions and committees with regard to the remuneration policy and risks which may arise from remuneration policies.

The remuneration of staff in control functions should allow the investment firm to employ qualified and experienced personnel in these functions. The remuneration of control functions should be predominantly fixed to reflect the nature of their responsibilities.

The Company must ensure at all times that employees engaged in control functions:

- a) Are independent from the business units they oversee;
- b) Have appropriate authority; and
- c) Are remunerated:
  - Adequately to attract qualified and experienced staff; and
  - In accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The Company's Risk Management and Compliance functions should have appropriate input into setting the *remuneration policy* for other business areas. The procedures for setting remuneration should allow Risk and Compliance functions to have significant input into the setting of individual remuneration awards where those functions have concerns about the behaviour of the individuals concerned or the riskiness of the business undertaken. Contravention of this may be relied on as tending to establish contravention of the rule on employees engaged in control functions having appropriate authority.

The Company must ensure that the remuneration of the senior officers in the Internal Audit, Compliance (including anti-money laundering compliance) and Risk Management functions (where necessary) is directly overseen by the Board of Directors in its supervisory function and that:

- a) This remuneration requirement is designed to manage the conflicts of interest which might arise if other business areas had undue influence over the remuneration of employees within control functions. Conflicts of interest can easily arise when employees are involved in the determination of remuneration for their own business area. Where these could arise, they need to be managed by having in place independent roles for control functions including notably Risk Management and Compliance.
- b) The need to avoid undue influence is particularly important where employees from the control functions are embedded in other business areas. This remuneration requirement does not prevent the views of other business areas being sought as an appropriate part of the assessment process.

## 7.8 Website

The Company shall explain there (as applicable), it complies with the requirements of paragraphs 50,51,52 and 53 of the Capital Adequacy Law and of sections 12 and 18A of the Law.

## 7.9 Pension Policy

The Company does not have any active pension policy for the time being. For information purposes, any pension policy should be in line with the business strategy, objectives, values and long-term interests of the Company.

## 8 Fixed Remuneration

Fixed Remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, experience, risk, accountability, and responsibility needed for an employee to perform each position/role. The Policy is also set in comparison with standard market practices employed by the other market participants/competitors.

The fixed remuneration of staff should reflect their professional experience and organisational responsibility taking into account the level of education, the degree of seniority, the level of expertise and skills, the constraints (e.g. social, economic, cultural or other relevant factors) and job experience, the relevant business activity and remuneration level of the geographical location. The fixed remuneration should be gender neutral in the same way as the variable remuneration.

The Company's fixed remuneration is approved by the Senior Management for all the relevant employees, and it is reviewed by the Company at least annually and according to the relevant legislation without affecting the other terms of employment.

The Company does not provide private health insurance to his employees for the time being

## 9 Variable Remuneration

The Company does not provide any variable remuneration in addition of the fixed monthly remunerations.

Nevertheless, if such case appears it will be regulated by the following principles:

In case where the Company's Remuneration includes a Variable Component, this:

- a) Where performance related, should be based on a combination of the assessment of the performance of the individual (taking into account financial and non- financial criteria) and of the business unit concerned and of the overall results of the Company. When assessing the individual's performance financial and non-financial criteria should be taken into account. Non-financial performance metrics should form a significant part of the performance assessment process and should include adherence to effective risk management and compliance with the regulatory system and with relevant overseas regulatory requirements. Poor performance as assessed by non-financial metrics such as poor risk management or other behaviors contrary to Company values can pose significant risks for the Company and should as appropriate, override metrics of financial performance. The performance assessment process and the importance of non-financial assessment factors in the process should be clearly explained to Relevant Employees and implemented.
- b) Should be set on a multi-year framework 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. The requirement for assessment of performance to be in a multi-year framework reflects the fact that profits from Company's activities can be volatile and subject to cycles. The financial performance of the Company's and individual employees can be exaggerated as a result. Performance assessment on a moving average of results can be a good way of meeting this requirement however, other techniques such as good quality risk adjustment and deferral of a sufficiently large proportion of remuneration may also be useful.

- c) Should be sufficiently flexible to not limit the ability of the Company to strengthen its capital base, and to allow the Company to direct necessary resources towards its capital base where required,
- d) Guaranteed Variable remuneration is NOT allowed.
- e) Balanced. Fixed component should be a sufficiently high proportion of the total remuneration.
- f) Variable Component shall not be greater than the fixed component unless in exceptional cases where it can be up to 2 times the fixed component. To do so, the Company should communicate, allowing for sufficient time to review, the reasons for the exceptional variable remuneration to its shareholders and obtain approval (66% if 50% of the voting rights are represented or 75% if less than 50% of the voting rights are representation). The Company should also notify CySEC that it has requested from its shareholders the exception in variable remuneration, at the time of notifying the shareholders, as well as the shareholders' decision as soon as this is taken. Any persons concerned by this higher variable remuneration, and which have direct or indirect voting rights are not allowed to exercise these in the voting for the exceptional variable remuneration.
- g) May include a discount rate of up to 25%, provided that it is paid in instruments that are deferred for a period of not less than five years.

Further the following should be taken into account:

- a) Payments related to early termination of contracts should reflect performance over time and NOT reward failure or misconduct.
- b) Remuneration packages relating to compensation or buy out from contracts in previous employment must align with the long-term interests of the Company including retention, deferral, performance and clawback arrangements.
- c) The measurement of performance used to calculate variable remuneration components should include an adjustment for all types of current and future risks and take into account the cost of the capital and the liquidity required.
- d) The allocation of the variable remuneration components within the Company must also take into account all types of current and future risks.
- e) The allocation of the variable remuneration components within the Company shall not apply to an individual whose annual variable remuneration does not exceed EURO 50.000 and does not represent more than one third of that individual's total annual remuneration. The Company may lower the threshold referred to in that point, provided that it is appropriate to do so, taking into account the nature and scope of the investment firm's activities, its internal organization, and, where applicable, the characteristics of the group to which it belongs.
- f) 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 a whole, and justified on the basis of the performance of the Company, the business unit and the individual concerned.
- g) Staff members should commit NOT to use personal hedging strategies or remuneration- and liability- related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.
- h) Should not be paid through vehicles or methods that facilitate the noncompliance with the Capital Adequacy Law.

## **10 Prohibited Remuneration Practises from Employees**

The Company shall refrain from applying any of the following Remuneration Practices regarding the remuneration of its Relevant Employees:

- a) Remuneration linked in any way to the percentage of the total volume of transactions, or the value of transactions, or the value of Clients' deposits.
- b) Remuneration based on retention of Clients e.g. based on a predefined percentage of cancellation of withdrawal requests that an employee manages to achieve.
- c) Remunerations based on the number of potential Clients who have actually become Clients.
- d) Remuneration as a percentage of the net revenue accruing to the Company in respect to Clients' transactions/trading activity.
- e) Fixed remuneration based on the number of new Clients attracted.

## **11 Remuneration of the Board of Directors**

The remuneration of the Members of the Board of Directors shall reflect the difference between a non – executive member and an executive member.

The remuneration of the executive Board members is to ensure the Company's continued ability to attract and retain the most qualified executive Board members and a good basis for succession. The remuneration of the Board consists of fixe basis paid on a quarterly basis. All non-executive members will be required to attend Board of Directors meetings at a minimum frequency of twice per year. Attendance via teleconference is accepted in cases where the director cannot appear in person due to overseas travel.

The remuneration of the members of the management body in its management function should be consistent with their powers, tasks, expertise and responsibilities.

## **12 Remuneration of Employees**

The remuneration of employees consists of fixed components.

Fixed remuneration varies for different positions / roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, professional experience, the degree of seniority, the level of expertise and skills, accountability, and responsibility needed for an employee to perform each position/role. Fixed remuneration is also set in comparison with standard market practices employed by the other market participants / competitors.

The Remuneration that Employees receive for their professional activities at the Company is stipulated definitively in their employment contracts. The employment contract and any subsequent amendments must be in written form.

## **13 Remuneration of Outsourced Functions**

The remuneration relating to outsourced functions such as Internal Audit, Finance, Risk, Accounting, Back-Office, etc., is based on fixed fee stipulated on referring Agreement contracts.

## **14 Annual Variable Remuneration (Annual Bonus)**

Without prejudice of Section 9 of the Policy, all Company employees are eligible for the annual (one-off) variable Remuneration which is evaluated from their annual performance appraisal (see Section 16) and according to the financial situation of the company.

This annual variable remuneration (Bonus) is at the discretion of the Managing Director following the following factors.

Factors taken into consideration on calculating the annual variable remuneration are the following:

- a) The financial viability of the Company,
- b) The general financial situation and the state in which the Company operates,
- c) Each employee's personal objectives (such as personal development, compliance with the Company's systems and controls, compliance with regulatory requirements, commitment, and work ethics) performance evaluation and the rating received based on their annual performance in relation to the objectives set up at the beginning of the period,
- d) Each employee's professional conduct with Clients (such as acting in the best interest of the Client, fair treatment of Clients and inducing Client satisfaction), as applicable.

This Annual variable remuneration (Bonus) is not guaranteed from year to year and should be re-considered each year following the above factors.

### ***Overtimes and Holidays and Travel Remuneration***

All Company employees, when specifically requested and approved by Senior Management, are eligible to the following payments in addition to their fixed income:

- a) Overtime payments during weekdays and/or bank holidays and/or weekends only for employee outside of the Senior Management (Directors).
- b) Travel Allowance when travelling for Company business out of their base country.

Such payments are added to the payroll and paid together with fixed income. Authority to approve such payments and the extent of these payments lies with the Senior Management.

## **15 Measures for Mitigating Conflicts of Interest**

The Remuneration Policy should not create any conflicts of interest and should incorporate measures for the avoidance of such conflicts. Moreover, it should encourage responsible business conduct and promotes risk awareness and prudent risk taking.

The Company mitigates the conflicts of interest risk that may arise as a result of its annual variable remuneration practice mentioned above. The measures apply to Relevant Persons including in house Departments and third-party service providers. The Company's measures that mitigate such risk are:

- a) The variable Remuneration is not provided until a specific period of time has passed. Under this measure, the Company aims to lessen the risk of a short-term speculative mind-set. The variable Remuneration practice is structured to align the long-term interests of the staff and the direct and continuous best interest of the Clients.
- b) The Company awards annual variable Remuneration only when the relevant Departments of the Company have conducted their duties according to the regulatory requirements (act clear, fair and not misleading). Complaints (if any) that have been raised from Clients against the Company must be within the tolerance ratio pre-set by the Company, but complaints that are indication of a violation of the Company's policies and procedures will not be tolerated. In relation to the implementation of these requirements, the Company uses in both the employment agreements and the outsourcing agreements standardized terms which have been reviewed by the Compliance Officer and approved by the Board of Directors.

- c) The Company monitors via a variety of methods the Departments that receive annual variable Remuneration so as to ensure whether they are acting on the best interest of their Clients. Company records all calls between the sales staff and Clients. Moreover, the Company's Compliance Officer performs sample checks of the recorded calls and makes a relevant monthly report to the Board of Directors of the Company to ensure that sales staff acted in accordance to the Company's guidelines, policies and procedures
- d) The Company proceeds in an on-going education of the key functions of the Company within the meaning of the Relevant Persons in order to update their knowledge and be consistent with the regulatory requirements. In case of failure by employees to pass the relevant assessment of the training offered, annual variable Remuneration is not provided.
- e) The Compliance Officer or/and Risk Manager Officer does/do not have multiple roles, i.e. not perform at the same time the duties of any person that consist the senior management of the CIF. This measure mitigates the risk of generation of conflicts of interest in Remuneration Policy. The Compliance officer among her duties is to review the business line Remuneration Policy approved by the Senior Management and take all reasonable steps to identify the conflicts of interest within this policy. At a second stage the Compliance Officer has to propose key solutions to the Senior Management in order the Remuneration Policy to be readjusted and be consistent with the relevant legislation.

## 16 Performance Appraisal – Guidelines

The Company shall ensure that where remuneration is linked with performance, the total amount of Remuneration is based on a combination of the performance assessment of:

- a) the individual (quantitative as well as qualitative criteria-except those who perform their duties on Control Functions where only qualitative criteria apply- are taken into account; annual performance evaluation and performance rating are taken into account),
- b) the business unit concerned, and
- c) the overall results of the Company and as long as conflicts of interest are mitigated, as described in this Policy.
- d) Examples of qualitative criteria include compliance with regulatory requirements (especially conduct of business rules and, in particular, the review of the suitability of instruments sold by relevant persons to Clients) and internal procedures, fair treatment of Clients and Client satisfaction.
- e) The Company implements a performance appraisal program, mainly to foster talent and promote healthy competition amongst personnel which is based on a set of Key Performance Indicators and Targets, developed for each department.

In general, performance appraisal is performed in a multiyear framework in order to ensure that the appraisal process is based on longer-term performance and that in the future (i.e. when applicable), the actual payment of performance-based components of Remuneration will be spread over a period which will take into account the Company's underlying business cycle and risks.

Additionally, performance appraisal on medium and short-term is being performed as follows:

- a) Objectives are set in the beginning of each year (depending on the department appraisal process) defining what the Company functions, departments and individuals are expected to achieve during the year and half annually.
- b) Performance checks and feedbacks: managers provide support and feedback to the concerned staff annually and semi-annually, during formal or informal performance reviews; the aim is to assist the staff to develop their skills and competencies.



- c) Annual performance review: takes place annually. The annual performance review also determines the level of the annual (one-off) variable Remuneration to be awarded to the employees. The variable elements of the Remuneration depend on the annual performance evaluation of each employee the fulfilment of their annual performance related targets and the annual financial performance of the Company.

## 17 General

The Board of Directors may deviate from this Policy in individual cases if justified by extraordinary circumstances always respecting the spirit of the relevant regulations issued by the authorities on this matter.

The Company must ensure that in case it benefits from extraordinary public financial support as defined in point (28) of Article 2(1) of Directive 2014/59/EU:

- a) the Company shall not pay any variable remuneration to members of the Management body;
- b) in case variable remuneration paid to staff other than members of the Management body would be inconsistent with the maintenance of a sound capital base of the Company.

## 18 Documentation and Disclosures

The Senior Management keeps records containing information as regards the Remuneration of the Company's employees in a separated file/record (e.g. payroll data) at the Company's premises.

Where potential or actual Client detriment might arise as a result of specific features in remuneration policies and practices, the Company should take appropriate steps to manage potential conduct of business and conflict of interest risks by reviewing and/or amending these specific features and set up appropriate controls and reporting mechanisms for taking appropriate action to mitigate potential conduct of business and conflict of interest risks.

Furthermore, the Company shall ensure that it has appropriate and transparent reporting lines in place across the firm or group to assist in escalating issues involving risks of non-compliance with the Law, conflicts of interest and conduct of business requirements under the Law.

Without prejudice to the provisions of the General Data Protection Regulation (GDPR) (EU) 2016/679 and the Protection of Natural Persons Against the Processing of Personal Data and the Free Movement (Law 125(I)/2018), the Company provides in its annual disclosures, information relevant to its Remuneration Policy, to the extent required under the "Disclosure and Market discipline obligations (Pillar 3 Disclosures)" as per the disclosure requirements set by the Directive.

The Disclosure and Market Discipline Report is posted on the Company's website, by the end of April of each financial year whilst there is also the possibility for the said report to be included in the Company's Financial Statements along with any information on the number of natural persons per institution that are remunerated EUR 1 million or more per financial year, in pay brackets of EUR 1 million, including their job responsibilities, the business area involved and the main elements of salary, bonus, long-term award and pension contribution based on the Paragraph 5(2) of the Directive. Nevertheless, currently there are no natural persons at the Company that are remunerated EUR 1 million or more per financial year and as such the above disclosure is not applicable to the Company.

## 19 Data Protection

The Company will be processing personal data ( and/or any sensitive personal data, as may be applicable) in connection with the employees' evaluation and remuneration under this Policy in accordance with the provisions of General Data Protection Regulation (GDPR) (EU) 2016/679 and the Protection of Natural Persons Against the Processing of Personal Data and the Free Movement (Law 125(I)/ 2018) (the terms processing, personal data and sensitive personal data have the meanings prescribed by the GDPR). In doing so the Company takes into consideration the rights of the employees with respect of their personal data processed for remuneration and/or promotion purposes, namely that the employee may under certain circumstances:

- a. Request access to his/her personal;
- b. Request correction of his/her personal data;
- c. Request erasure of his/her personal data;
- d. Object to processing of his/her personal data;
- e. Request restriction of processing of his/her personal data;
- f. Request the transfer of his/her personal data to him/her or to a third party
- g. Withdraw consent at any time where the Company is relying on consent to process hi/her personal data.

The Company further represents those employees are not subject to a decision making based solely on automated processing, including profiling.

## **20 Transparency of the remuneration policy in relation to the integration of sustainability risk pursuant to Articles 5 of SFDR**

Alma Europe Ltd is a Financial Market Participants as defined in Regulation (EU) 2019/2088 (SFDR) of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector ( SFDR ) purpose of Article 5 of the SFDR .

### **Principles of the Remuneration Policy**

The Company remuneration policies is designed to be consistent with the strategies, risks profiles, rules and the objectives of the Company in particular with respect to matters concerning sustainability linked undertakings and commitments.

The overall objective of the Company is to provide strong investment performance over the long term for its Clients having regard to the objectives of their mandates (Portfolio Management, Investment Advice, RTO).

The Remuneration Policy recognizes that Risks are inherent to investments in any class of assets and that investors elect to allocate capital based on different risk profiles linked to strategies of the Company offers to his Clients and recognises that the risks associated with each vary, and as such, remuneration structures should reflect this.

In broad terms, the Remuneration Policy is supportive of the foregoing objectives and is designed to be consistent with the foregoing by:

- (a) aligning the interests of employees with clients;
- (b) the promotion of sound and effective risk management (both at an investment level and at an enterprise level (including sustainability risks in each case and having regard to sustainability matters);
- (c) aligning the interests of employees and investors with shareholders;
- (d) attracting and retaining employees at each level within the business that are -term objectives; and

(e) rewarding performance as a combination of risk management and appropriate behaviour. The Company monitors the application of the above general remuneration principles and objectives and amongst other matters, demonstrated application of sustainability linked undertakings and commitments of the Company, together with integration of sustainability linked risks so far as they relate to investment decisions are taken into account when considering remuneration.