ALPHA
SERVICES AND HOLDINGS

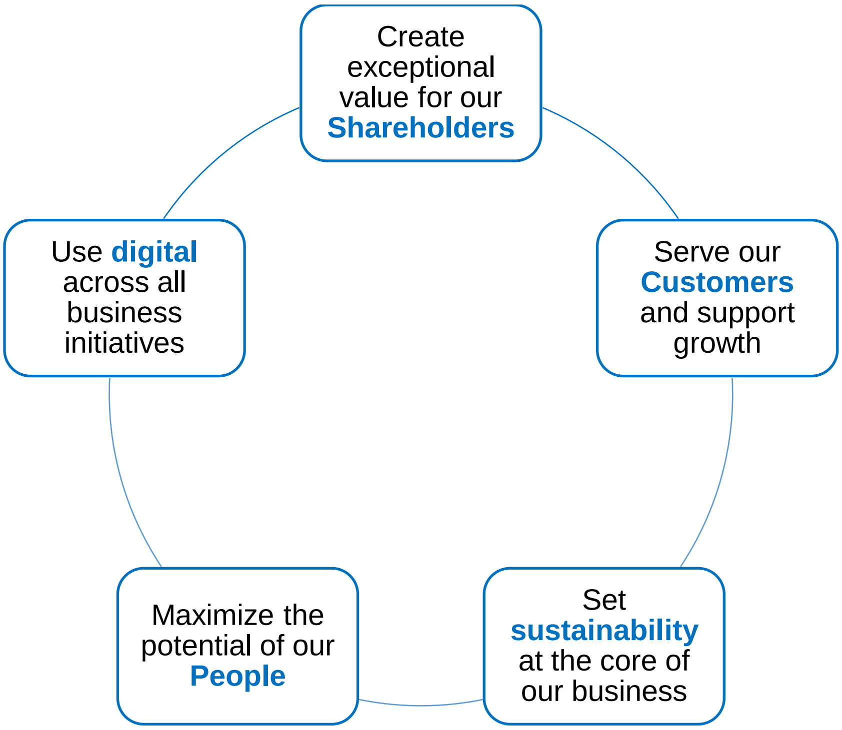
Explanatory Note on the Variable Remuneration Framework

1. Preamble

Alpha Services and Holdings S.A. (the “Company”) has established a Remuneration Policy (the “Policy”) that sets the remuneration framework of the Company and the other Companies of its Group (the “Group”) and applies to all Employees under a contract of dependent employment, in accordance with All Applicable Laws[1], as in force from time to time.

The Policy establishes the appropriate framework to attract, retain and motivate highly-qualified Employees. In this context, the remuneration strategy represents a key enabler for the creation of value, favoring long-term sustainable results against short-term solutions.

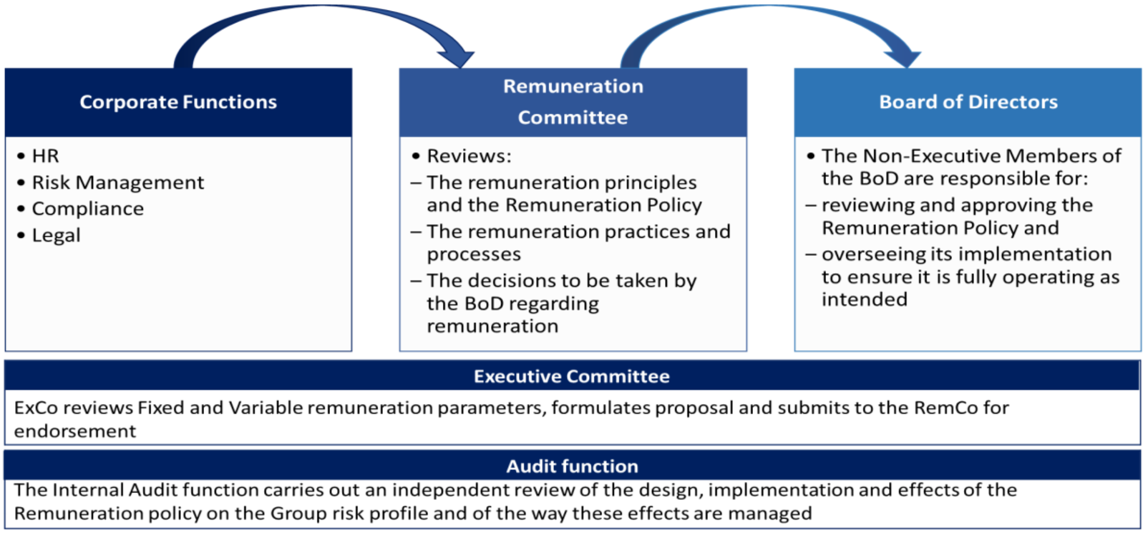
Through appropriate compensation mechanisms, the Company aims to achieve its strategic objectives, such as, indicatively, the following:



[1] All applicable laws and regulations (“All Applicable Laws”) include: the provisions of Law 4548/2018, Law 4261/2014 (including articles 84 to 88), Law 3864/2010 (to the extent applicable), Bank of Greece Executive Committee Act 178/5/2.10.2020, the European Banking Authority (EBA) Guidelines on sound remuneration policies, the relevant Collective Agreements (sectoral, enterprise level etc.) and the framework regulating the relationship of the Company and Alpha Bank S.A. (the “Bank”) with the Hellenic Financial Stability Fund (HFSF), all as in force from time to time.

2. Governance of Remuneration Policy

The Company's remuneration governance model aims at ensuring the clarity and reliability of decision-making processes by calibrating the overall remuneration practices and ensuring that decisions are made in an independent, informed and timely manner at appropriate levels. The model is also focused on preventing conflicts of interest, assuring appropriate disclosure and respecting the general principles defined in the applicable legislative framework.



3. Remuneration Policy Principles

To ensure competitiveness and effectiveness of remuneration as well as transparency, internal equity and alignment with business objectives, the Policy is defined by the following key pillars:

Long-term value creation

The Remuneration Policy ensures that the Company's long-term performance is aligned with market practices and the business strategy, while aiming to create value for the Shareholders and other Stakeholders.

Risk management

The Policy discourages excessive risk-taking to avoid distorted incentives that could lead to any breach of law and jeopardize the Company's and its Group's viability. Additionally, it is adequately formulated to ensure the capital and liquidity levels needed to support all activities.

Attraction and retention

The Company aims to attract, motivate and retain highly-skilled Employees, while ensuring corporate governance, legal compliance and proper market conditions and promoting the Group's values, establishing a tight connection between pay and performance.

Remuneration linked to performance evaluation

The performance-based elements of the variable remuneration are linked to Key Performance Indicators (KPIs) to ensure focus on the Business Plan objectives. All variable remuneration elements promote the long-term goals determined by the Company's and its Group's Strategy. The variable remuneration is compliant with applicable laws and regulations on acquiring and retaining shares (or other instruments).

Diversity, Equity and Inclusion

The Policy advances a culture of inclusion based on equal opportunities and non-discrimination. It is gender-neutral, supports equal treatment, promotes inclusiveness and respects diversity in general.

4. Variable Remuneration Elements

The variable remuneration is gender-neutral and supports equal treatment, promotes inclusiveness and respects diversity in general.

In order to preserve market competitiveness, the overall target remuneration aims to be aligned with market data of selective peer Groups.

More specifically the following apply:

4.1 General Principles of Variable Remuneration[2]

All variable remuneration elements promote the **long-term goals** determined in the Strategy of the Company and its Group, guaranteeing **prudent risk management.** The retention elements include seniority, experience and role criticality, while the performance-based elements of variable remuneration are **linked to Key Performance Indicators (KPIs)** to ensure focus on the Business Plan objectives.

Variable Remuneration is compliant with All Applicable Laws, as in force from time to time, including, among others:

- Payout structure provisions, referring mainly to the award of variable remuneration amounts to the Material Risk Takers (MRTs)[3], in the form of **cash and share-linked or other equivalent non-cash instruments**, considering the "proportionality principle" as per Law 4261/2014 (article 86 par. 2) as well;
- Provisions on **acquiring shares, as these are depicted in the Share Schemes' specific terms** approved each time by the General Meeting of Shareholders,
- Payout allocation provisions, according to which:

[2] Variable Remuneration remains at the absolute discretion of the Company to grant it and it can be freely, partly or fully revoked at any time unilaterally by the Company.

[3] Staff whose business activities have a material impact on the Bank's risk profile ("risk takers"), as per the Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing the Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, as well as the criteria for identifying staff members or categories of staff whose business activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive.

- up to **60%** of the remuneration awarded to **MRTs**, other than Senior Executives, is paid **within the year** in which the allocation has been determined and at **least 40%** of the Variable Remuneration component is **deferred for four (4) years**,
- up to **40%** of the remuneration is paid **within the year** in which the allocation has been determined and at least **60%** of the awarded remuneration is **deferred for five (5) years** from the initial payout for **Senior Executives**,
- a one-year lock-up period applies.

Indicative deferral scheme – payout view without considering the one-year lock up period for share-linked instruments.

	SENIOR EXECUTIVES[4]		Other MRTs	
Year	Cash	Share-linked instruments	Cash	Share-linked instruments
N	*N/A*	40%	30%	30%
N+1	*N/A*	12%	5%	5%
N+2	*N/A*	12%	5%	5%
N+3	*N/A*	12%	5%	5%
N+4	*N/A*	12%	5%	5%
N+5	*N/A*	12%		

- A **maximum ratio** between variable and fixed remuneration is currently set at **100%** of the fixed remuneration,
- Provisions on retaining variable remuneration, including **malus and clawback** provisions.

4.2 Bonus Pool calculation

4.2.1 Gates

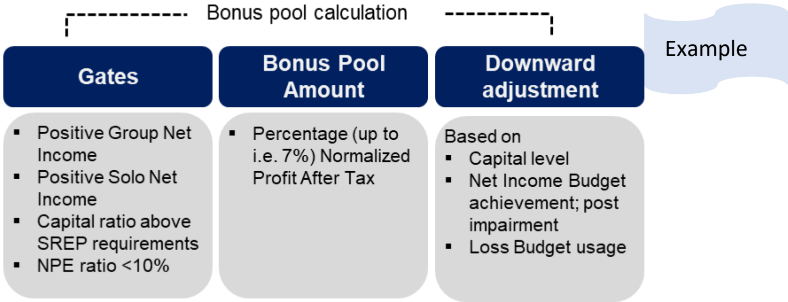
To proceed with a variable remuneration award, a set of thresholds (the "**Gates**") should be met. Such thresholds pertain to positive annual profitability, asset quality and regulatory capital position (set at the minimum Supervisory Review and Evaluation Process (SREP) requirements). In case a specific Gate is not met, a bonus cannot be awarded unless the respective Gate is waived. Gates can be waived only by an Executive Committee proposal that has to be endorsed by the Remuneration Committee and approved by the Board of Directors, always subject to relevant regulatory approval.

4.2.2 Bonus Pool size

The performance **bonus pool amount** is calculated on the basis of a pre-defined percentage of the Group's Normalized Profit After Tax, which cannot exceed the currently set threshold of 7%.

[4] For the period of the credit institution's participation in the capital enhancement program, as set out in Article 7 of Law 3864/2010, the variable remuneration of Senior Executives may only take the form of shares or stock options or other instruments within the meaning of Articles 52 or 63 of Regulation (EU) No 575/2013, in accordance with Article 86 of Law 4261/2014 (Government Gazette A 107/5.5.2014).

To ensure alignment of the Group's performance with the Group's Risk Appetite Framework metrics, the performance bonus pool is proportionally **adjusted downwards** in case of underperformance versus selected performance, capitalization and risk metrics.



Amendments to the specific KPIs, subject to the governance process presented in paragraph 2.

4.3 Bonus Pool allocation for performance-related remuneration

The performance-related variable remuneration is based on Group, Division and Individual performance and is linked with financial results, major strategic projects and behaviors. The bonus pool amount, as calculated above, is allocated initially to Divisions and then to Individuals.

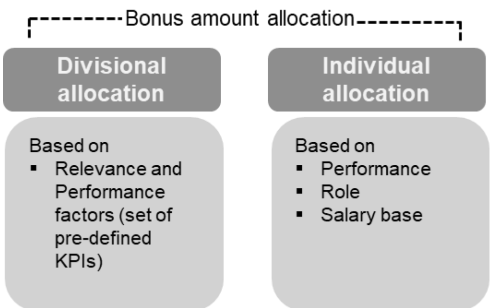
4.3.1 Allocation to Divisions[5]

The allocation of the bonus pool to Divisions is based on a bottom-up approach, estimating the initial bonus pool based on a role-adjusted number of eligible Employees, the criticality of the role and the salary of the Employees. This bonus pool is further adjusted in order to incorporate the performance of each Division, based on performance (KPIs) and relevant factors towards the achievement of the Bank's goals.

4.3.2 Allocation to Individuals

Individual bonus allocation, including Senior Executives, is based on the Employee's:

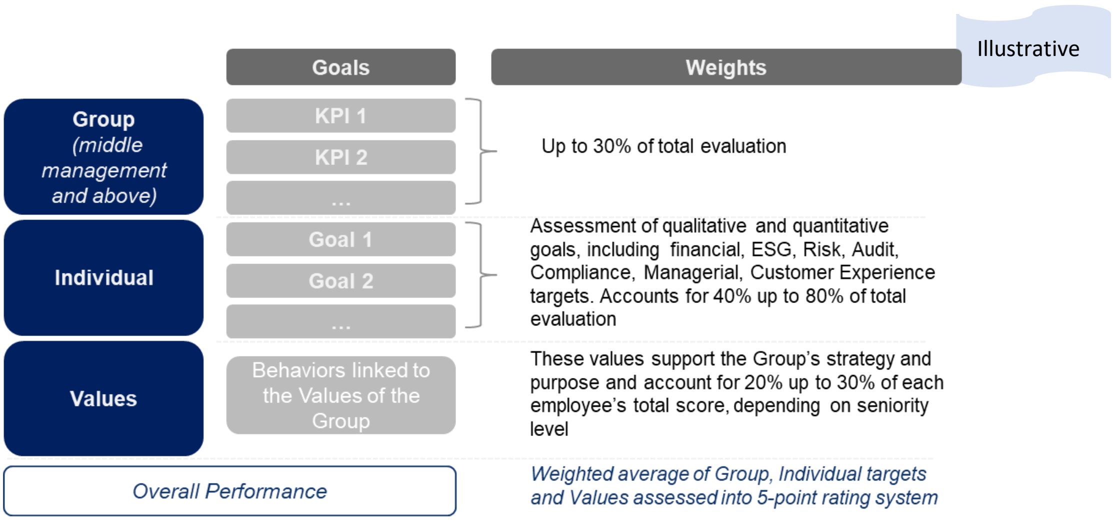
- performance evaluation as it derives from the Employee's evaluation, based on the Performance Management Framework (Alpha Performance Dialogue),
- role criticality,
- salary base.



[5] Amendment of the allocation process, subject to the governance process presented in paragraph 2.

The performance is assessed through an annual evaluation process based on a five-point rating system[6], which indicates the accomplishment of targets against expectations. Targets are specified and distributed based on the Business Strategy and adapted to the responsibilities of each role. The Employees' performance is depicted in a **balanced scorecard** that translates the Strategic Objectives and Values of the Company into Specific, Measurable, Achievable, Relevant and Time-bound goals. The balanced scorecard includes:

- **Group targets** that are applicable to the middle management seniority level and above and include mainly financial and operational performance metrics at Group level such as Profit After Tax, Economic Profit, Non-Performing Exposures (NPEs) stock, Income targets and Expenses targets.
- **Individual targets,** including both quantitative (i.e. financial KPIs, Credit Risk KPIs, customer experience KPIs) and qualitative (i.e. Internal Audit, Compliance and Operational risk KPIs, Manager and Engagement Indexes) metrics, aligned with the Strategic Plan pillars.
- **Behaviors** linked to the Values of the Group. Specifically for middle management and above, behaviors are measured via relative tools (i.e. 360 surveys and other engagement surveys).



Employees, including Senior Executives, are eligible for a variable remuneration award **only if they have achieved a "Meets All Targets" rating**, i.e. the third of the five levels of the evaluation scale. On the contrary, Employees with a "Significantly Below Targets" or a "Partially Meets Targets" rating are not eligible for variable remuneration.

[6] SET: Significantly Exceeds Targets (5), EAT: Exceeds All Targets (4), MAT: Meets All Targets (3), PMT: Partially Meets Targets (2), SBT: Significantly Below Targets (1).

An indicative non-exhaustive, Senior Executive scorecard may be as follows:

Illustrative

	Goals	Weights
Group	Total economic profit Profit after tax NPE stock Bank NPS	30% of total evaluation
Individual	NPE ratio MREL targets Complete strategic transactions Sustainable Loan disbursement	40% of total evaluation
Values	Behaviors linked to the Values of the Group	30% of total evaluation

4.4 Retention Plan

Amounts are awarded to Senior Executives based on criteria, such as criticality of area of responsibility and position, completion of a predetermined period of service and other qualitative considerations. Payments under the Retention Plan would be subject to All Applicable Laws and, among others, require:

- the completion of a minimum period of service before the relevant award;
- the absence of any disciplinary or legal proceedings initiated by the Company.

4.5 Sales Incentive Program

The Sales Incentive Program is a bonus scheme designed to incentivize mainly the Branch Network Employees in alignment with the Bank's strategic priorities. Branch Employees eligible to be awarded a bonus amount are those who have achieved at least a threshold percentage of their sales targets. Branches participate in the bonus pool based on a credits-based system that is designed to reflect the performance of each Branch both on a standalone basis and in comparison with the performance of the whole Branch Network. The Sales Incentive Program bonus pool is awarded to the Branches quarterly but it is paid out to individuals annually.

Context and evolution of the variable remuneration elements

This document includes variable remuneration principles applicable to both Senior Executives and other Employees. Specifically regarding the former, it is noted that due to legal restrictions:

- no variable remuneration has been paid since 2008 due to a bonus ban, while fixed remuneration caps were also in place as a result of the first Greek Program for the Banks and then the HFSF Law,
- for so long as the HFSF retains any stake in the Bank, variable remuneration may be paid subject to the fulfillment of certain conditions but only takes the form of shares or stock options or other share-linked instruments.

The Bank is continuously seeking to improve its Variable Remuneration Framework, within the confines of Applicable Law in which it operates, so as to further align with best practices and Shareholder interests.