

## Introduction

Luna Wealth Asset Management Ltd (hereinafter: “**LWAM**” or the “**Company**”), whose headquarters are at 40 Themistokli Dervi Street, Floor 2 Flat 201, 1066 Nicosia, Cyprus, is a company incorporated and registered in the Republic of Cyprus under Cyprus Company Law and is authorized and regulated as a Cyprus Investment Firm (CIF) by the Cyprus Securities and Exchange Commission (hereinafter the “**CySEC**”), under License Number 379/19, in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) (the “**Law**”), as amended from time to time, and subject to the European Parliament Markets in Financial Instrument Directive II (“**MiFID II**”).

## Legislative Framework

Pursuant to CySEC’s Directive DI144-2014-14 for the prudential supervision of investment firms, the Company is required to explain how it ensures compliance with the requirements of paragraphs 18, 19, 20, 21 and 22 of the Directive and of sections 24 and 25 of the Law. As such, the Company must maintain a remuneration policy and practices that comply on the one hand with the aforementioned directive and on the other hand with requirements of the Law (s24 on conflicts of interest and s25 general principles and information to clients), Regulation (EU) No 575/2013 and Circular C031, C138 and C240 of the CySEC.

## Remuneration Policy Statement

The Remuneration Policy of LWAM is an internal document that has been set and approved by the Board of Directors of the Company and its provisions are applicable to each Director, Officer and Employee. The remuneration varies for different positions/roles depending on each position’s actual functional requirements and reflects the level of knowledge, experience, accountability and responsibility needed for an employee to perform in each position/role.

The Company uses remuneration as a significant method of attracting and retaining key employees whose talent is vital to the Company’s long-term success. The remuneration mechanisms employed are well known management tools that factor in the staff’s skills, experience and performance, whilst supporting at the same time the Company’s long-term business objectives.

The Company’s remuneration system takes into account the highly competitive sector in which the Company operates in, and the considerable amount of resources the Company invests in each member of staff.

## Fixed Remuneration

The remuneration of staff consists of fixed monthly salaries although it does fluctuate to reflect different positions/roles depending on each position’s actual functional requirements, and it is set at levels which reflect the educational level, experience, accountability, and responsibility embedded in each position/role. Fixed remuneration is also set in comparison with standard market practices employed by the other market participants/competitors. In addition, the Company has joined AON Hewitt’s Multi-Employer Provident Fund (MAP) for the benefit of its employees. Participation in the provident fund is voluntary.

## Variable Remuneration

The Company has adopted a Key Performance Indicator (KPI) scheme to monitor, assess and review the performance of employees and reward them based on the achievement of personal, department and company goals. Individual, team and company goals carry different weights. Based on the assessment of their performance employees will receive a bonus of a monthly salary multiplied by a coefficient.

The Company will not incentivise sales of financial instruments or services via increased remuneration, variable remuneration or performance-related remuneration and no KPIs adopted for any employee or director is related to sales.

## Regulation (EU) No 575/2013

Pursuant to article 450 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, the Company is obliged to disclose the following information, regarding its remuneration policy and practices.

Art.450 Regulation (EU) No 575/2013	Disclosure
Information concerning the decision-making process used for determining the remuneration policy	Board of Directors has reviewed and adopted the Company's Remuneration Policy
Number of meetings held by the main body overseeing remuneration during the financial year	The Board of Directors meets at least once a quarter.
Information about the composition and the mandate of a remuneration committee and the external consultant whose services have been used for the determination of the remuneration policy	The Company has not established a Remuneration Committee as it is not a 'significant CIF'. The Board of Directors is the management body that directly oversees the Remuneration Policy.
Most important design characteristics of the remuneration system, including information on the criteria used for performance measurement	The Company has adopted a Key Performance Indicator (KPI) scheme to monitor, assess and review the performance of employees and reward them based on the achievement of personal, department and company goals. Individual, team and company goals carry different weights. The Company will <b>not</b> incentivise sales of financial instruments or services via increased remuneration, variable remuneration or performance-related remuneration and no KPIs adopted for <b>any</b> employee or director is related to sales.
Information on link between pay and performance;	Based on the assessment of their performance employees will receive a bonus of a monthly salary multiplied by a coefficient between 0.5 to 2.4. The ratio between fixed and

	variable remuneration set are in accordance with Article 94(1)(g) of Directive 2013/36/EU.
The main parameters and rationale for any variable component scheme and any other non-cash benefits	The Company has broked down its various policies and procedures to steps and have assigned responsibility of said steps to employees with expected frequency, completion rate and time required. The individual goals are correlated to team goals and company goals. The achievement of various individual,team, company goals will be reviewed annually and the overall score will determine the coefficient for the payment of annual bonus to each employee.

### Aggregate quantitative information on remuneration by Business Area

Business Area	Aggregate Remuneration (€)
Compliance and regulation	30,000
Finance	Outsourced
Client Administration	28,200
Risk	39,000
Trading	55,000
Investment Advice & Portfolio Management	48,000
Dealing on Own Account	20,400
I.T.	14,700
Internal Audit	Outsourced

### Aggregate quantitative information on remuneration of senior management and members of staff whose actions have a material impact on the risk profile of the Company

	Individuals	Fixed Remuneration (€)	Variable Remuneration (€)
<b>Executive Directors</b>	2	103,000	-
<b>Non-Executive Directors</b>	2	24,000	-
<b>Total</b>	4	127,000	-