

Remuneration policy of the Danish C WorldWide Group

1. Background and objective

This policy has been developed for the companies of the C WorldWide Group incorporated in Denmark (the “**Danish C WorldWide Group**”) including the Swedish and Finnish branches of C WorldWide Asset Management Fondsmæglerselskab A/S and shall be adopted by the Board of Directors of each company of the Danish C WorldWide Group (“**Group Company**”) and endorsed by the general meeting of shareholders of such Group Company. The policy shall apply to management and employees of the Danish C WorldWide Group.

The aim of this policy is to:

- Promote sound and effective risk management within the Danish C WorldWide Group; and
- maintain a competitive remuneration level in order to ensure that the necessary skills are available in the Group Companies having regard to the group’s business strategy and, to the extent necessary, to international peer salaries.

The policy shall implement requirements relating to remuneration and remuneration policies applicable to the Danish C WorldWide Group, including Chapter 11 of the Danish Investment Firms Act (Fondsmæglerselskabsloven) and the Danish executive order on remuneration (Aflønningsbekendtgørelsen). Furthermore, the policy implements delegated regulation (EU) 2021/2154, delegated regulation (EU) 2021/2155 and certain elements of EBA’s Guidelines on sound remuneration policies under Directive (EU) 2019/2034 dated 21 November 2021.

The Board of Directors of each Danish Group Company may deviate from this policy or apply supplementary remuneration policies to individuals not comprised by this policy, due to requirements of the Alternative Investment Fund Managers Directive or the UCITS Directive.

2. Individuals comprised by the policy

The policy applies to management and employees of the Danish C WorldWide Group. However, section 4 shall only apply to members of the Board of Directors, members of the management board and other employees, whose professional activities have a material impact on the risk profile of the Group Company or of the assets that it manages (collectively “**Material Risk Takers**”).

3. Generally applicable policies

3.1 High level principles

The Danish C WorldWide Group generally aims to maintain a competitive remuneration level in order to ensure that the necessary skills are available in the Danish Group Companies having regard to the C WorldWide Group’s business strategy and, to the extent necessary to international peer salaries.

The remuneration and salary level maintained by the Danish Group Companies may not exceed what is considered usual relative to the nature of the office and the scope of the work and what is considered reasonable relative to the C WorldWide Group’s and the individual Danish Group Company’s financial position taking into consideration the nature, scale and complexity and the risks inherent in the business model and the activities of the C WorldWide Group.

The Danish C WorldWide Group aims to use variable remuneration to the extent this is not in contravention of sound and effective risk management or statutory requirements. The Danish C WorldWide Group's variable remuneration is paid out as a profit share derived from a pool as described in Annex A. Variable remuneration is used to ensure an adequate incentive structure among group employees combined with the possibility of swiftly aligning Danish Group Company expenses in the event of declining earnings. The variable remuneration is therefore intended to contribute to limiting the risk exposure of the Danish Group Companies in alignment with changes in earnings.

Variable remuneration shall not be paid through vehicles or methods which aim at or effectively lead to non-compliance with this policy.

The profit share allocation to individual employees will take into consideration the specific limitation applicable to certain groups of employees pursuant to this policy. However, to the extent permitted by applicable laws and regulations and accepted by the competent authority, this policy's limitation on the use of variable remuneration shall not apply to individual employment contracts entered into before the entering into force of the relevant laws and regulations.

This policy shall be consistent with the protection of the C WorldWide Group's clients and the avoidance of conflicts of interest.

The Danish C WorldWide Group's most important identified conflicts of interest between the Danish Group's companies and their employees are the following:

- Acceptance of terms in client contracts entailing disproportionate operational risks for the Group Company, low profitability to the Group Company or high credit risk in order to obtain a variable remuneration. This conflict of interest is addressed by the criteria applied to the Danish C WorldWide Group's criteria for variable remuneration, including the emphasis on long term performance.
- The variable remuneration may not compromise the independence of the compliance and risk functions and shall thus be independent of the area controlled by the relevant employees.

This policy is and shall in all ways be applied as non-discriminatory and age and gender neutral.

3.2 Risk management

The Danish C WorldWide Group is committed to delivering long term results for the Danish C WorldWide Group and its clients and investors. A key element in achieving long term results is to have sound and effective risk management systems and procedures in place.

Risk management includes the sound management of all types of risks including sustainability related risks cf. Regulation (EU) 2019/2088 of 27. November 2019.

To discourage employees from taking undesirable, irresponsible or excessive risks in order to achieve short term profits the Danish C WorldWide Group will prioritize long term results and sound and effective risk management over short term gains and excessive risk when evaluating the contribution of the individual employees to the success of the C WorldWide Group.

3.3 Remuneration components

The remuneration components which may be used within the Danish C WorldWide Group are the following:

- Fixed remuneration, which should primarily reflect relevant professional experience and organisational responsibility taking into account the level of education, the degree of seniority, the level of expertise and skills and job experience, the relevant business activity and remuneration level of the geographical location.
- Variable remuneration, which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description.
- Pension schemes in line with collective agreements as applicable in each Danish Group Company. Pension schemes may not circumvent the limitations applied to variable remuneration.
- Sign-on bonus.
- Severance payments, normally only until 24 months' salary. This can however be adjusted upwards if needed due to special circumstances, e.g. local labour law requirements where the Danish Group Company has terminated the employment contract.
- Stay-on bonus, which should only be applied in rare instances to key personnel.

4. Policies applicable to Material Risk Takers

4.1 Remuneration of the members of the Board of Directors

Members of the Board of Directors shall only receive fixed remuneration, if any, upon assessment and decision of each Danish Group Company.

4.2 Identification of Material Risk Takers

The Board of Directors of each Danish Group Company shall identify which staff members that categorises as Material Risk Takers, based on qualitative and quantitative criteria of the applicable laws and regulations. The identification of Material Risk Takers shall take place when relevant and at least yearly. Staff who become Material Risk Takers for a period of at least three months in a financial year are treated as Material Risk Takers. Identification of Material Risk Takers is overseen by C WorldWide Group Holding A/S.

4.3 Remuneration to Material Risk Takers

Fixed and variable remuneration for Material Risk Takers shall be set taking into account individual performance as well as performance of the relevant Group Company. A longer-term assessment of performance shall be made.

The variable remuneration shall not limit the ability of the Group Company to maintain or restore a sound capital base in the long term.

Guaranteed variable remuneration shall only occur when hiring new staff and within the first year of employment. Sign-on bonus and severance payments shall observe local laws and regulations.

General criteria concerning the above is set out in [Appendix A](#).

4.4 Limitations concerning variable remuneration components

4.4.1 Scope

The limitations below shall apply to all Material Risk Takers. However, a Danish Group Company may choose not to apply these limitations to individual employees if permitted to do so due to transitional provisions of applicable laws and regulations.

4.4.2 Ratio between fixed and variable remuneration

Variable remuneration components may not exceed 200% of the fixed component of the total remuneration for each individual and shall be assessed and accepted by the general meeting of shareholders of each Group Company.

This limit takes into account that it is a standard level within asset management, that it ensures the possibility of aligning expenses with earnings and the limited possibility for risk-taking by this group of individuals based on the Group Company's field of activity and organisation.

However, for members of the management board the variable remuneration may not exceed 50% of the fixed basic salary net of tax and including pension, cf. the statutory requirements in this respect.

4.4.3 Composition of variable remuneration components

As a minimum, 50% of variable remuneration components in Danish Group Companies shall consist of shares or share-based instruments in the individual company or within the C WorldWide Group or similar non-cash instruments which reflect the instruments of the portfolios managed. As the shares of the C WorldWide Group are not listed and thus not liquid, the remuneration may, in accordance with applicable laws and regulations, be given in instruments reflecting the individual company's creditworthiness, including hybrid core capital or debt instruments ranking rank pari passu with the shareholders of the Group Company.

A Danish Group Company covered by AIFMD and/or the UCITS Directive may choose not to apply these instruments where these do not comply with the AIFMD and/or UCITS Directive.

For members of a Danish Group Company's management boards, share options or similar instruments may not exceed 12.5% of the fixed basic salary including pension.

4.4.4 Deferral of variable remuneration components and lock-up period

A total of 40% of the variable remuneration component net of tax must be deferred. However, 60% is deferred in case of variable remuneration above the equivalent of DKK 750,000 before deduction of taxes. Deferral must extend over four years, however, the deferral term applicable to members of the Board of Directors and the management board is not less than five years.

Deferral must be distributed evenly over the years.

Shares and financial instruments, etc. forming part of the variable remuneration component shall be held by the employee for at least one year.

The deferral and lock-up periods set above are deemed to be sufficient as all variable remuneration is based on actual profits and not on future expectations.

4.4.5 Malus, clawback and other conditions attaching to payment of variable remuneration components

Group Companies must ensure that any payment of variable remuneration components is subject to conditions prescribed by law, including the possibility to adjust or require repayment of variable remuneration in case of bad faith of the employee.

Employees may not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

5. Publication and filing of remuneration policy

Publication and filing regarding the remuneration of the individual Danish Group Companies and this policy shall be made to the extent required by applicable rules and regulations.

6. Remuneration Committee

The Board of Directors of C WorldWide Asset Management Fondsmæglerselskab A/S has established a Remuneration Committee acting as a joint remuneration Committee for the Group Companies. The Remuneration Committee works as a preparatory committee for the Board of Directors of each of the Group Companies with respect to matters concerning remuneration, with a special focus on this policy.

7. Validity period, etc.

This policy has been adopted by the Board of Directors and shall be endorsed by the annual general meeting. When the policy has been endorsed by the annual general meeting it shall apply to remuneration earned from January 1, 2023.

In connection with the consideration of a new policy, the chairman of the Board of Directors of the individual Group Company must provide information on compliance with this policy during the past year, including the remuneration of the Board of Directors and the management board, and the expected future remuneration of the Board of Directors and the management board.

The Board of Directors is authorised to make adjustments to this policy to the extent this is necessitated by new regulations or orders from regulatory authorities or changes to the actual risk profile or organisation of the individual Group Companies.

Adopted by the Board of Directors on March 7, 2023.

Adopted by the general meeting of C WorldWide Group Holding A/S held on 20 April 2023.



APPENDIX A

1) Variable remuneration pool – 50/50 split

The profit share policy of the C WorldWide Group is that fifty (50) per cent of the profits before taxes but excluding goodwill amortization from C WorldWide Holding A/S’ operations in any financial year are paid out. The profit share pool is paid out to the designated recipients immediately following the approval of the audited accounts of C WorldWide Holding A/S, subject to local laws and regulations and any company specific remuneration policies of the relevant company of the C WorldWide Group. This framework secures focus on creating profitability, where the profit share and total remuneration for the individual varies with the profits generated in the C WorldWide Group.

2) Allocation to the companies of the C WorldWide Group

The CEO of C WorldWide Group Holding A/S allocates the profit share pool to the individual companies of the C WorldWide Group based on input from local management. The CEO shall consult with the chairman of the Board of Directors of C WorldWide Group Holding A/S in relation to the allocation of profit share on a company level.

3) Allocation to the employees of the Danish C WorldWide Group

The CEO of each of the Group Companies evaluates each employee on overall contribution to the success of the C WorldWide Group (see #5 below) based on input from the management team and heads of departments. This together with the financial result of C WorldWide Holding A/S and the financial result of each Group Company is used as the input to the profit share allocated to the individual employee. As a basis for the allocation of profit share to the senior officers of Compliance and Risk the CEO shall furthermore take into consideration the recommendation on the design of the remuneration package and amounts of remuneration to be paid to senior officers in Risk and Compliance made by the Remuneration Committee. The CEO shall consult with the chairman of the Board of Directors of the relevant Group Company when awarding profit share on an employee level. The profit share of the CEO of each Group Company shall be approved by the chairman of the Board of Directors of the Group Company.

4) Time schedule

January: Allocation on a company basis

February: Allocation individually

March: After the annual report of C WorldWide Holding A/S is signed by the Board of Directors discretionary allocation will be communicated individually and payment will be executed.

5) Key factors to consider in the evaluation of the individual (overall contribution to the success of the C WorldWide Group)

| General (all employees) | Front office (PM/Clients) | Support functions |
|---|--|---|
| Overall contribution to C WorldWide Group mission/vision, Team player, going the extra mile | Importance of product franchise in which the individual is involved and contribute | Contribution to existing and future operational excellence. Lowering operational risk and/or cost |



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| Experience with the C WorldWide Group, level of understanding of all business areas | Contribution to other product franchises. | Proactivity – initiating changes in procedures generating lower risk, lower cost, and other efficiency gains. |
| Management responsibility | Contribution to Performance (short and long term), | Execution on projects – keeping deadlines, high productivity, low cost |
| Special competences | Idea generation | Meet the applicable standards under current legislation |
| Contribution to a positive and collegial atmosphere | Contribution with regard to client retention and new clients | Proactivity – initiating changes in procedures helping client retention and satisfaction |
| Overall contribution to CSR/ESG initiatives | Contribution to sustainability risk management, including compliance with Group policies and procedures | |
| Contribution to sound and effective risk management, including compliance with Group policies and procedures | Time with franchise, part of building up AUM | |
| Change in strategic potential | Overall expected importance and contribution with regard to future earnings | |