

Policy

Approved by ECH Board on 26 April 2023
Approved by ECAM Board on 26 April 2023
Approved by ECFS Board on 26 April 2023

Applicable from 2 May 2023

Group remuneration policy

1. Introduction

The Board of Directors of East Capital Holding AB (“**ECH**”) has adopted this remuneration policy (the “**Policy**”). The Policy shall be applicable to all employees and Companies within the East Capital Group.

East Capital Asset Management S.A. (“**ECAM**”) is a public limited company governed by the laws of the Grand-Duchy of Luxembourg and licensed by the Commission de Surveillance du Secteur Financier (the “**CSSF**”) as an Alternative Investment Fund Manager, under the Law of 12 July 2013 on alternative investment fund managers (the “**2013 Law**”), as well as a Management Company, under the Law of 17 December 2010 relating to undertakings for collective investments (the “**2010 Law**”).

ECAM acts as Management Company and Alternative Investment Fund Manager in respect of Luxembourg-domiciled and Sweden-domiciled funds qualifying as either undertakings for collective investment in transferable securities or alternative investment funds (the “**Funds**”). ECAM furthermore acts a portfolio manager in respect to a number of separately managed accounts (the “**Mandates**”) in accordance with Article 101.3(a) of the 2010 Law.

East Capital Financial Services AB (“**ECFS**”) is a securities company regulated under the Swedish Securities Market Act (SFS 2007:528). This policy applies to all business lines within ECFS.

The East Capital Group has adopted this Policy with the objective of laying down the principles governing how the remuneration of the Company’s employees shall be established, applied and monitored and with a view of ensuring that the Regulated Companies comply with the regulatory requirements set out in section 18.

This Policy is applicable to all employees of the East Capital Group. The Policy does not cover tied agents to ECFS.

The East Capital Group’s intention is to position itself as an attractive employer whose aim is to take good care of its staff. Beside monetary compensation, employees are therefore offered a range of other benefits, which are to follow market praxis.

ECH reserves the right to, at its sole discretion, at any time and regardless of reason, amend or cancel this Policy. Such amendment or cancellation shall be effective immediately and applicable to all employees, unless stated otherwise.

2. Definitions

Business Unit:	Refers to a department within the East Capital Group.
Company:	Refers to a company within the East Capital Group which an employee is employed by.
Control Functions:	Refers to Compliance, Risk Management and Internal Audit
East Capital Group or the Group:	Refers to the group of companies of which ECH is the parent company.
Fixed Remuneration	Refers to payments or benefits which are pre-determined and without consideration of any performance criteria and which meet the criteria in section 5 of this Policy.
Identified Staff:	Refers to staff identified as having a material impact on the risk profile of ECFS, ECAM or any portfolios under management by the Group in accordance with respective applicable regulations, including senior management, employees responsible for control functions as well as any employee receiving total remuneration that is equal to or higher than the lowest paid member of senior management and risk-taker group (and whose professional activities have a material impact on ECFS, ECAM or any fund), as assessed from time to time in accordance with such regulations.
Next Generation:	Refers to a category of staff that based on contributions to the Company's development over at least three years and anticipated crucial contribution to the future development of the Company have been identified as Next Generation by Principals and Partners. Next Generation is the first step of East Capital's shareholder program.
Partners:	Refers to those individuals (employed by a company within the Group) who, directly or indirectly, are shareholders of ECH and are on the third and final step of the East Capital shareholder program.
Principals:	Refers to a category of staff that based on outstanding contributions to the Company's development over several years and anticipated crucial contribution to the future development of the Company have been designated as Principals and invited to purchase shares in ECH by the Partners and other Principals. Principals are the second step of the East Capital shareholder program and are divided into two categories, Principal I and Principal II, with Principal II being the more senior category.
Portfolio	A fund or discretionary portfolio management mandate managed by a Company in the East Capital Group.
Regulated Companies	Refers to East Capital Asset Management S.A. and East Capital Financial Services AB.

Remuneration:	Refers to all remunerations and benefits, when declared as income for the employee, directly or indirectly paid to an employee (e.g., cash salaries, other cash-based remuneration, shares or share-based instruments, pension benefits, severance pay, car benefits etc.). All Remuneration is either Fixed Remuneration or Variable Remuneration.
Remuneration Committee	The committee under East Capital Holding Aktiebolag as set out in section 13 of this Policy.
Variable Remuneration:	Performance based remuneration that has not in advance been determined as for its size or amount and which depends on performance or, in certain cases, other contractual criteria.
Sustainability Aspects	Environmental, social and / or governance practices (qualitatively or quantitatively measurable) which have been identified by the Group as creating positive financial and / or non-financial impact.
Sustainability Risk	Identified risks arising adverse events of conditions referring to environmental, social and / or governance factors which may have a material adverse financial and / or non-financial impact on the Group and / or the Funds.

3. General

The Group's remuneration system shall be formulated so that it benefits the Group's long-term interests. Remuneration shall not jeopardise the Group's long-term result and financial position.

Acknowledging that competitive Remuneration is an important component allowing it to attract, retain and motivate employees, East Capital Group strives for Remuneration to be competitive and to comply with market standards, the applicable rules and regulations, as well as with East Capital Group's stated corporate values; Respectful, Insightful and Explorer. The Policy has been based on the knowledge that competitive remuneration systems are an important component allowing East Capital Group to attract, retain and motivate employees.

However, Remuneration, and in particular Variable Remuneration, may lead to excessive risk-taking; on the other hand, Variable Remuneration serves as an important incentive to facilitate the business strategy of East Capital Group, and to stimulate employees to make efforts to strengthen the long-term value of East Capital Group for the benefit of its shareholders and clients.

In order to enable East Capital Group to identify, measure, manage, and have control of the risks linked to Remuneration, the Remuneration shall be structured in a manner that promotes sound risk and effective risk management which is consistent with the risk profile, rules and instruments of incorporation of the Portfolios it manages, and which does not conflict with the Companies' duty to act in the best interests of its clients. Remuneration shall counteract excessive risk taking by employees.

In addition, Remuneration shall be aligned with the Companies' business strategies, objectives, values and the long-term interests of its shareholders and clients (including the Portfolios which the East Capital Group manages

and, by extension, the investors in these Portfolios). Remuneration shall be designed in a way that avoids conflicts of interest.

4. Delegation

In the event that either of the Regulated Companies delegates investment management functions (including risk management), where the provisions of this Policy would otherwise be circumvented, the Regulated Company shall ensure that:

- a) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the regulatory requirements for the Regulated Company; or
- b) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the relevant regulatory requirements; these contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of the Regulated Company.

5. Fixed Remuneration

Fixed Remuneration is Remuneration where the conditions for its award and amount:

- c) are based on predetermined criteria;
- d) are non-discretionary, reflecting the level of professional experience and seniority of the employee;
- e) are transparent with respect to the individual amount awarded to the employee;
- f) are permanent, i.e., maintained over a period tied to the specific role and organisational responsibilities;
- g) are non-revocable; the permanent amount is only changed via collective bargaining or following renegotiation in line with national criteria on wage setting;
- h) cannot be reduced, suspended or cancelled by East Capital Group;
- i) do not provide incentives for risk assumption; and
- j) do not depend on performance.

5.1. Determining Fixed Remuneration

The Group shall primarily remunerate its employees with fixed monthly salary or hourly rates. Permanent staff are entitled to pension contributions according to the applicable pension policy. Certain employees will also be remunerated with pre-determined benefits, such as company car etc.

Fixed Remuneration is set on an individual basis with regards to the market salary of the position, relevant professional experience and organisational responsibility as set out in the employee's job description and terms of employment.

Fixed remuneration to members of the Board of Directors of ECAM, if any, shall be determined by the Board of Directors of the ECAM.

5.2. Pension

From the start of the permanent employment, the employee is entitled to pension allocations, in line with local regulatory praxis. The pension allocations are calculated solely on the fixed monthly salary, no pension allocations follow from Variable Remuneration. The Pension policy for each country is set out in *Appendix 2*.

5.3. Principal Category Allowances

Employees included in the Principal Categories shall receive an annual fixed allowance in addition to their salary. The amount of annual fixed allowance is pre-determined (one set amount for Principal II, one for Principal I and one for Next Generation).

The allowance amount can increase, but not decrease, from one year to another. Any decrease in annual fixed allowance amount requires the consent of all relevant employees classified as Principal II, Principal I or Next Generation, respectively.

Employees included in the Principal Categories are required to invest at least 1/3 of their respective allowance, after taxes and/or other mandatory fees and/or contributions, in funds managed by the East Capital Group.

6. Variable Remuneration

Remuneration that does not meet the definition of Fixed Remuneration constitutes Variable Remuneration. All permanent staff members in the Group are eligible to receive variable remuneration in accordance with the provisions set out in this section, however such remuneration shall not exceed 100 per cent of the fixed annual remuneration. The 100 percent ratio can be exceeded by decision of the ECH Board of Directors. The 100 per cent ratio can however never be exceeded for ECFS Identified Staff.

6.1. Determining Variable Remuneration

Variable Remuneration shall be based on relevant, pre-determined and measurable financial and non-financial criteria linked to the Company's business strategy, goals, values, risk management and long-term interests. The total amount of Variable Remuneration awarded to an individual shall be based on a combination of the assessment of the performance of the individual employee, the relevant business unit and the overall results of the relevant Company and East Capital Group. Variable Remuneration should not encourage excessive risk-taking. The financial and non-financial criteria on which the Variable Remuneration is based on shall be specified and documented for each employee.

The measurement of performance used to calculate Variable Remuneration components or pools of Variable Remuneration components shall take into consideration all relevant types of current and future risks.

6.2. Determining the pool for Variable Remuneration

Assessment of the Company's result which is available for Variable Remuneration shall primarily be based on a risk-adjusted operational profit. Consideration shall be taken of the Company's actual cost of capital and necessary liquidity. The assessment shall be conducted from a multiyear perspective, appropriate to the holding period recommended to the investors of the Funds under Management by East Capital Group where applicable, to ensure that the assessment is made on substantial long-term results as well as the Company's underlying business cycle and business risks.

Variable Remuneration should not compromise the Company's ability to maintain a sufficient capital base, liquidity buffer and, if necessary, strengthen the capital base and the current and future risk levels.

Annually the Remuneration Committee will advise the Boards of East Capital Holding and the Regulated Companies, where applicable, of the proposed available capital pool for the Variable Remuneration procedure in accordance with the risk assessment on the impact of proposed variable remuneration made by the CFO and the control functions.

The Remuneration Committee adjusts the pool according to the Business Units performance and each individual's contribution to said performance and considering the individual performance assessment and feedback provided at the Round Table Meetings.

6.3. Guaranteed Variable Remuneration

In principle, the Companies shall not offer guaranteed Variable Remuneration.

Deviations from this principle may only be made if such Variable Remuneration is paid to an employee in connection with a new employment and shall be limited to his/her first year of employment within the Company (i.e., sign-on bonus to cover Variable Remuneration generated at a previous employer which is not paid out by such employer).

Decision to grant guaranteed Variable Remuneration shall be decided by the relevant Company's Board of Directors, with input from the Remuneration Committee.

6.4. Special Contributions

Outstanding achievements can be rewarded with a special premium, up to a value of maximum 5 000 Euro plus social taxes. The premium may consist of additional vacation days or a trip to a destination in the markets where we invest. Managers propose the achievement to be rewarded and the decision is made by the Management Board of the East Capital Group.

6.5. Variable Remuneration for Principals

If the Group meets certain predefined quantitative criteria within a set time period, Principals I and Principals II will, subject to the limits laid out in this section 6, be awarded one-time Variable Remuneration paid out in shares in ECH, indirectly owned via a Special Purpose Vehicle, the amount of shares paid out will be determined based on the ownership the individual already holds. The value of the shares is based on an external valuation of ECH.

6.6. Variable Remuneration for Real Estate staff

Staff members who are involved in the management of the Group's Real Estate funds can be invited to receive part of their Variable Remuneration in the form of shares which entitle the holder to receive a share of the profits in the funds they are involved in the management of, so called "Carry Shares".

6.7. Severance pay

Remuneration paid out in connection with the termination of employment shall be in proportion to the employee's performance during the term of employment and must not reward unsound risk-taking.

6.8. Variable remuneration to Control Functions

Any Variable Remuneration paid to employees responsible of the Control Functions shall be based on goals linked to their functions, independently of the performance of the business areas they oversee.

6.9. Variable remuneration to Board Members

In the event that the Company pays Variable Remuneration to Board Members, other than those who participate in the daily management of the Company, the Variable Remuneration shall not be linked to the short-term results of the Company but shall take into account other factors such as the time dedicated to their function and their respective responsibilities.

6.10. Other aspects regarding Variable Remuneration

Statutory vacation pay (if any) is included in the determined and received Variable Remuneration. Company-provided pension allocation (*Swe: tjänstepension*) is not paid on Variable Remuneration. This section applies unless national legislation states otherwise.

Variable Remuneration, if any, shall be based on the employee's actual working hours (*Swe: arbetstid/tjänstgöringsgrad*). Hence, if the employee has been absent from work or worked part-time during the relevant remuneration year, the Variable Remuneration will be reduced accordingly (pro rata).

In the event an employee gives or receives notice of termination of his or her employment with the Company, regardless of the reason hereof, before any Variable Remuneration has been paid out, the employee is not entitled to Variable Remuneration, even if the amount of the Variable Remuneration for the preceding year has been determined and communicated to the employee, prior to notice of termination. This shall apply also during the employee's period of notice.

The Company shall not make payments of discretionary pension benefits or gratuities (*Swe: gratifikationer*).

Employees may not use personal risk hedging strategies or take out insurances that aim at reducing or eliminating the effects of Variable Remuneration being adjusted or cancelled altogether.

The Company shall not pay Variable Remuneration through vehicles or methods which facilitate the avoidance of the provisions in this Policy.

6.11. Deferrals of Variable Remuneration

Variable Remuneration shall be deferred for the following categories of staff:

- Partners
- Principal Categories
- Identified Staff
- Members of the management board
- Any staff receiving a Variable Remuneration of 100,000 EUR or more

For the above staff categories, any Variable Remuneration awarded shall be paid out sixty percent (60%) at the year of grant, whereas forty percent (40%) shall be deferred and be paid over the following three years in equal instalments.

7. Balance between Fixed and Variable Remuneration

Remuneration that is comprised of both Fixed and Variable Remuneration shall be appropriately balanced. Fixed Remuneration shall represent a large enough portion to be able to, if necessary, set any or all Variable Remuneration to zero.

8. Individual performance criteria

Each employee shall be informed of the individual criteria that govern their Remuneration and how his/her performance is assessed and what objectives need to be met to qualify for Variable Remuneration. All employees are to a certain degree evaluated on the same criteria:

- 1) Professional standards which are based on the job description,
- 2) Individual goals which are set together with the manager,
- 3) Achievement of and adherence to East Capital core values:
 - a. Insightful
 - b. Respectful
 - c. Explorer
 - d. Compliance with Rules and regulations and
 - e. Risk awareness and management

For employees performing well, a Variable Remuneration can be achieved. In relation to the annual performance evaluation, meetings are held between the Remuneration Committee and the relevant manager, so called “**Round Table Meetings**” to ensure a fair and equal treatment within the East Capital Group.

9. Sustainability

Remuneration decisions shall, for relevant employees, refer to Sustainability Aspects as identified by the Group. The promotion of Sustainability Aspects within the Group supports long term value creation for shareholders.

Further, Remuneration decisions shall, for relevant employees, include effective management of Sustainability Risk as an input factor in determining Remuneration. Effective management of Sustainability Risk mitigates excessive risk taking which is not consistent with the risk profile, and / or investment restrictions of the Portfolios under the management of the Group. Effective management of Sustainability Risk is in the interests of the shareholders in the Portfolios.

10. Progression within the Group

To reward outstanding contributions to the Company’s development over several years and anticipated crucial contribution to the future development of the Company, a Principal’s program is in place within the Group.

Certain employees are classified as Principal I, Principal II or Next Generation (jointly referred to as the “Principal Categories”) in the Group. An employee who is a member of one of the Principal Categories cannot be excluded from the relevant category without consenting to the exclusion.

In order to be eligible as a Principal I, the following requirements need to be fulfilled:

- be a specialist, owner of revenue or senior manager,
- show qualities associated with running and leading a field of expertise or line of business, - have a deep understanding and experience from the industry,
- have worked at least four (4) years in the Company and at least one (1) year as Next Generation.

Principals are expected to act as an ambassador of the Group, to address and to be constructive on issues, to actively engage in discussions about East Capital's development and future, develop their respective business, department and staff, strive to find new sources of revenue and suggestions for cost control and take responsibility for decision on and execution of business plan.

11. Malus and clawback measures

East Capital Group has to maintain a sound financial situation and has to take into consideration any negative financial result and performance of the Companies and/or the Funds.

If the Companies needs to strengthen their financial situation, the Variable Remuneration to employees will be reduced as appropriate.

As defined by ESMA and EBA, "malus" means that a Company's Board of Directors can decide to reduce, including going down to zero the Variable Remuneration payable to employees.

"Clawback", in line with ESMA and EBA Guidelines, means that, in certain circumstances as follows, a Company's Board of Directors can decide that employee(s) will pay back the Variable remuneration he/she received:

- In case of established fraud or misleading information;
- Misbehaviour or serious error, such as breach of the Company's policies.

12. Identified Staff procedure

The categories and classification of Identified Staff shall be reviewed at least annually by the relevant Regulated Company and its Board of Directors, with input from the Remuneration Committee, as well as regularly by the Control Functions in relation to their impact on risks. As part of the review of Identified Staff, incl. risk-takers, in the Company, a procedure shall be documented on the methods applied by the relevant Company when classifying the employees as being either Identified Staff or not.

Each Regulated Company will identify, on a consolidated basis where applicable, those staff members who meet the qualitative as well as the quantitative criteria relevant to that Regulated Company.

A separate risk evaluation is performed for staff deemed to have a material risk on the

Company's risk profile before payment of variable and deferred variable remuneration

13. Remuneration Currency

All remuneration is primarily paid out in local currency. If part of the remuneration is set in another currency, the amount should be converted into local currency, using a fixed yearly rate (HR budget rate) valid at the time of the decision.

14. Remuneration Committee

The Board of Directors of East Capital Holding AB has appointed a Remuneration Committee in order to discuss remuneration issues to make sure the Group is compliant with applicable regulations in the scope of fixed and variable remuneration.

The duties of the Remuneration Committee include but are not limited to:

- a) ensure the remuneration process is planned in accordance with the Group
- b) Remuneration Policy
- c) advise the Board of ECH on remuneration programs.
- d) plan and prepare the annual remuneration process and advise on the total amount on variable remuneration available to be paid.
- e) ensure adequate attention is given to gender, experience and talent management prospects.
- f) annually identify and report the Identified Staff list and maintain it updated throughout each fiscal year.

15. Management and control

15.1. Boards of Directors

The Boards of Directors of East Capital Holding Aktiebolag and the Regulated Companies are responsible for the adoption of this Policy and shall furthermore be responsible, and oversee, the implementation of this Policy and shall review, at least annually, the principles of the Policy. These tasks shall only be undertaken by members of the Boards of Directors who do not perform any executive functions in the relevant Companies and who have expertise in risk management and remuneration.

The Boards of Directors shall follow what the shareholders meeting has resolved in regards to Remuneration. In the preparation of decisions pertaining to remuneration, the Boards of Directors shall take into account the long-term interest of shareholders, Clients and other interested parties.

The Company's Board of Directors shall resolve on:

- (i) the total amount of Variable Remuneration to be paid each year;
- (ii) Variable Remuneration to Identified Staff;
- (iii) Measures for the implementation of the Policy, including malus and clawback measures;
- (iv) exceptions regarding application of the provisions in the Policy, including but not limited, exceptions to the ratio between fixed and variable remuneration.

15.2. Control Functions

The Control Functions will carry out independent control and will ensure the follow-up and application of such Policy. The Control Functions shall review on a regular basis the Policy and whenever a material change occurs that affects it, will do the relevant amendments. The Control Functions shall control, on an annual basis, whether Remuneration procedures, including Remuneration paid, in the Companies comply with this Policy and the results of such review shall be reported to the relevant Board of Directors in conjunction with approval of the annual accounts. A copy of said report shall be put at the disposal of the CSSF, in the case of ECAM.

In the event that the Control Functions find that Remuneration applied in a Company deviates from this Policy, this shall immediately be reported to the relevant Company's Board of Directors.

16. Disclosure of information for ECAM

For confidentiality reasons, any disclosed information must be published in such a manner that the economic conditions of individuals are not revealed.

16.1. Disclosures in the annual reports of Alternative Investment Funds (the "AIFs")

An account of all Remuneration paid by ECAM to employees shall at the latest be disclosed in connection with the publication of the annual reports (the "**Reports**") of the AIFs. The Reports shall indicate the way in which the Policy is structured and applied.

- the Reports shall also include: the total remuneration of the entire staff of ECAM, indicating the number of beneficiaries;
- the total remuneration of those staff of ECAM who are fully or partly involved in the activities of the AIFs, indicating the number of beneficiaries;
- the proportion of the total remuneration of the staff of ECAM attributable to the AIFs, indicating the number of beneficiaries.

Where relevant, the total remuneration for the financial year shall also mention the carried interest paid by the AIFs.

Where information is disclosed at the level of ECAM, an allocation or breakdown shall be provided in relation to each AIF, in so far as this information exists or is readily available. As part of this disclosure, a description of how the allocation or breakdown has been provided shall be included.

ECAM shall provide general information relating to the financial and non-financial criteria of this Policy and practices for relevant categories of staff to enable Clients to assess the incentives created. ECAM shall disclose at least the information necessary to provide an understanding of the risk profile of the Fund and the measures it adopts to avoid or manage conflicts of interest.

ECAM will include the information as detailed in the **Commission Recommendation 2009/384/EC of 30 April 2009 paragraph 8** as referred in ESMA Guidelines.

16.2. Disclosures in the annual reports of UCITS Funds (the "UCITS")

The Reports of the UCITS shall include the following disclosures:

- a) the total amount of Remuneration for the financial year, split into Fixed and Variable Remuneration paid by ECAM to its staff, and the number of beneficiaries, and where relevant, any amount paid directly by the UCITS itself, including any performance fee;
- b) the aggregate amount of Remuneration broken down by categories of Identified Staff;
- c) a description of how the Remuneration and benefits have been calculated;
- d) the outcome of the reviews referred to under section 10 of this policy including any irregularities that have occurred;
- e) material changes to this Policy.

16.3. Disclosures in prospectus of the UCITS

The prospectus shall include a summary of this Policy and a statement to the effect that the details of the up-to-date Policy, including, but not limited to, a description of how Remuneration and benefits are calculated, the identity of the persons responsible for awarding the Remuneration and benefits, including the composition of the remuneration committee where such a committee exists, are available by means of a website – including reference to that website – and that a paper copy will be made available free of charge upon request.

16.4. Disclosures in key investor information documents

Key investor information documents for UCITS shall include a statement to the effect that the details of the up-to-date Policy, including, but not limited to, a description of how Remuneration and benefits are calculated, the identity of persons responsible for awarding the Remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

16.5. Disclosure to the employees

The Conducting Officers of ECAM shall inform the relevant personnel of this Policy, and any change thereto. They shall also inform in advance those staff members of the criteria that will be used to determine their remuneration and of the assessment process, i.e., his/her classification as Identified Staff; his/her ratio and how their performance is assessed.

For confidentiality reasons, except where necessary for the performance of their duties, the employees will only receive information relating to his/her Remuneration.

The assessment process and the Policy shall be properly documented and transparent to all employees.

17. Proportionality in relation to ECAM

This Policy takes into account the principle of proportionality, as detailed in *Appendix 1*, “which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale and complexity of ECAM’s business and to the nature and range of activities carried out in the course of its business”¹. The overall philosophy of this

¹ Section (70) of the Preambles of the Delegated Regulation.

Policy is to promote sound and effective risk management, as well as a long-term perspective, and to discourage excessive risk-taking by ECAM's employees. In particular, consideration has been given to the business strategy, objectives, values and interests of the ECAM and the Funds it manages and those of the investors in such Funds, in accordance with the Conflicts of Interest Policy.

18. Responsibilities

Responsible for implementation of the Policy: Chief Human Capital Officer

Responsible for implementation control: CEO of ECH

Responsible for annual review: Board of Directors of ECH

19. Legal and regulatory requirements

ECAM:

- iv. Articles 111bis, 111ter, 151 and 159 of the 2010 Law
- v. Article 12 and Annex II of the 2013 Law
- vi. CSSF Circular 10/437 of February 1st, 2010 on guidelines concerning the remuneration policies in the financial sector
- vii. Article 21(2)c) of CSSF Regulation N° 10-4 of December 20th, 2010, transposing Commission Directive 2010/43/EU of July 1st, 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council, as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a Depositary and a Management Company.
- viii. Section 5.2.8. of CSSF Circular 12/546 of October 24th, 2012, regarding authorization and organization of Luxembourg Management Companies subject to Chapter 15 of the aforementioned December 17th, 2010 Law
- ix. Article 33(2)c), 41(1)b), 42(2), 60(2)h), 61(3)d) and 107 of the European Commission Delegated Regulation (EU) N° 231/2013 of December 19th, 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
- x. Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
- xi. European Securities and Markets Authority ("ESMA") Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411), dated 31 March 2016.

ECFS:

- xii. Swedish Securities Markets Act (SFS 2007:528)
- xiii. Delegated Regulation to MiFID II [(EU) 2017/565]
- xiv. SFSA Regulation 2017:2
- xv. ESMA Guidelines on Remuneration policies and practices (MiFID) (ESMA/2013/606), dated 1 October 2013. Scheduled to be replaced by ESMA Guidelines on certain aspects of the MiFID II remuneration requirements, when they enter into force.
- xvi. European Banking Authority Guidelines on sound remuneration policies under Directive (EU) 2019/2034 (EBA/GL/2021/13), dated 22 November 2021.

20. Distribution

Internal distribution within the Group and external subject to the decision of the CEO of ECH.

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Appendix 1

Application of the principle of proportionality in ECAM

The Remuneration Policy is designed by applying the principle of proportionality and ECAM has decided not to apply the following requirements as detailed hereinafter:

Regulatory requirements	Reasons for not intending to apply
<p><u>2013 Law, Annex II Principles 1(f) & 3 and 2010 Law, Art. 111ter. 1(f) & 4 :</u></p> <p>Remuneration committee</p> <p><u>2013 Law, Annex II Principle 1(m) and 2010 Law, Art. 111ter. 1(m) :</u></p> <p>Payment of the Variable Remuneration by instruments</p> <p><u>2013 Law, Annex II Principle 1(n) and 2010 Law, Art. 111ter. 1(n) & 1(o) :</u></p> <p>Deferral of the Variable Remuneration</p>	<p><u>Size:</u></p> <p>ECAM is a small structure with less than 10 employees.</p> <p>ECAM manages three UCITS platforms and one AIF umbrella, with less than 30 sub-funds, as well as a limited number (less than 10) of separately managed accounts on behalf of institutional investors. The total AUM of these portfolios is less than 5 billion EUR.</p> <p>Considering ECAM's limited size, ECAM deems itself as not being systematically important.</p> <p><u>Internal organization:</u></p> <p>ECAM has a simple legal and governance structure and does not manage any products listed on any regulated markets. Furthermore, ECAM pays limited amounts of variable remuneration.</p> <p><u>Complexity of activities:</u></p> <p>ECAM manages equity, balanced and fixed income portfolios as well as real estate funds. Investment policies for the non-real estate portfolios are not complex. The AIFs managed by ECAM are also of a non-complex nature. ECAM exclusively performs portfolio management services for its clients and does not provide investment advice nor safekeeping and administration of fund units. ECAM manages only one UCITS fund and one AIF in Sweden and also has a branch in Sweden</p> <p><u>Summary:</u></p> <p>ECAM is limited in size, has a simple internal organization and performs relatively non-complex activities. ECAM therefore considers that applying the provisions regarding remuneration committee, payment in instruments and deferrals for variable remuneration would not be proportionate to the characteristics and profile of ECAM.</p>

Appendix 2

Pension Policy

Sweden

An annual pension allocation equivalent to 4.5% of annual salary (fixed monthly salary), up to 7.5 Income Base Amount (IBA), shall be attributed. For annual salaries exceeding 7.5 IBA, an allocation of 30% shall be made on the amount exceeding 7.5 IBB. The employee pension age is stated at 66 years, after which the employee may choose to either retire or continue working for another year until the age of 67.

Luxembourg

For the retirement benefit, the annual salary S has three components, Sa, Sb and Sc:

- Sa represents the annual remuneration up to EUR 80,000;
- Sb represents that part of the annual remuneration between EUR 80,001 and EUR 120,000;
- Sc represents that part of the annual remuneration as of EUR 120,001.

The Employer's contribution amounts to: 6% Sa + 12% Sb + 18% Sc

Estonia

The mandatory funded pension system states that an employee pays a monthly 2% of their gross salary to the pension fund they have selected, and the state adds 4% out of the current social tax that is paid by the employee. This is mandatory for persons who were born in 1983 and later.

There are two options for subscribing to the supplementary funded pension: 1) conclude a pension insurance contract with a life insurance company or 2) make contributions to the voluntary pension fund.

Russian Federation

Not applicable

Hong Kong

The monthly minimum and maximum relevant income levels for MPF contribution are currently HK\$7,100 and HK\$30,000 respectively. Contribution payable by both employer and employee are 5% each, if income more than HK\$30,000, the contribution is capped at HK\$1,500 (commenced on 1 Jun 2014),

East Capital contributes with the extra part between the cap level and up to 5% of salary.