

Remuneration policy of C WorldWide Fund Management S.A. and its Branch

This policy is applicable to C WorldWide Fund Management S.A. and its Branch (“CWFM”, “the Company”) and shall be adopted by the Board of Directors of CWFM and endorsed by its general meeting of shareholders. The policy shall apply to management and employees of CWFM.

The aim of this remuneration policy is to:

- promote sound and effective risk management within CWFM; 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.

1. Regulatory background

This remuneration policy has been drawn-up in compliance with the following requirements applicable in Luxembourg:

- CSSF Circular 18/698 on the Authorization and organization of investment fund managers incorporated under Luxembourg law
- CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector
- Regulation (EU) No 575/2013 of the European Parliament and of the Council
- Commission delegated regulation (EU) 2021/2154 of 13 August 2021 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council
- Directive 2013/36/EU of the European Parliament and of the Council
- Commission delegated regulation (EU) 2021/923 of 25 March 2021
- Guidelines on sound remuneration policies under Directive (EU) 2019/2034
- Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector

2. Individuals comprised by the policy

Control functions of CWFM as well as human resources have been part of the design of the policy, which applies to management and employees of CWFM.

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**” or “MRT” as defined in section 2.1. below).

2.1. Identification of the Material Risk takers

In compliance with the regulation applicable, the MRT identified by CWFM are the following:

- The Members of the Board of Directors
- The senior management of the Company
- Conducting officers and staff members responsible and accountable to the management body for the control functions. i.e., Risk and Compliance functions, Internal audit function

No staff members are identified based on the quantitative criteria of Article 6 of the Commission delegated regulation (EU) 2021/923 of 25 March 2021.

3. Generally applicable policies

3.1. High level principles

In line with the C WorldWide Group, CWFM generally aims to 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.

Due to the Company's limited size and scope of activities and the fact that a Group remuneration committee has been established, it has been decided not to set up a specific remuneration committee for the Company.

The remuneration and salary level maintained by 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 group's and the individual group company's financial position.

The Company aims at using variable remuneration to the extent this is not specifically in contravention of sound and effective risk management or statutory requirements.

CWFM's variable remuneration is paid out as a profit share derived from a pool, as described in Appendix A. Variable remuneration is used to ensure an adequate incentive structure among group employees combined with the possibility of swiftly aligning group company expenses in the event of declining earnings. The variable remuneration is therefore intended to contribute to limiting the risk exposure of group companies in alignment with changes in earnings.

The specific profit share allocation to individual employees will take into consideration the specific delimitation applicable to certain groups of employees pursuant to this remuneration 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 remuneration policy shall be consistent with the protection of CWFM's clients and the avoidance of conflicts of interest.

CWFM's most important identified conflicts of interest between CWFM's companies and their employees are the following:

- Acceptance of terms in client contracts entailing disproportionate operational risks for the company, low profitability to the company or high credit risk in order to obtain a variable remuneration. This conflict of interest is addressed by the criteria applied to CWFM'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.

The fixed and variable components of the total remuneration shall be appropriately balanced, and the fixed remuneration should represent a sufficiently high proportion of the total remuneration.

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

3.2. Risk management

CWFM is committed to delivering long term results for CWFM 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, together with the sustainability related risks.

To discourage employees from taking undesirable, irresponsible or excessive risks in order to achieve short term profits CWFM 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 CWFM are the following:

- Fixed remuneration, which should primarily reflect relevant professional experience and organisational responsibility
- Variable remuneration, which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil employee's job description
 - Pension schemes in line with collective agreements as applicable in each C WorldWide Group entity. 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 CWFM 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 Group company.

4.2. Remuneration of other material risk takers

The Board of Directors of CWFM shall assess which staff members whose professional activities have a material impact on the company's risk profile, based on qualitative and quantitative criteria of the applicable laws and regulations and on an individual assessment of the risks relevant to that company. The identification of material risk takers shall take place when relevant and at least yearly. Identification of material risk takers is overseen by C WorldWide Group Holding A/S.

4.3. Remuneration principles applying to other material risk takers

Fixed and variable remuneration for these employees shall be set taking into account individual performance as well as performance of the Company. A longer-term assessment of performance shall be made.

The variable remuneration shall not limit the ability of the 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.

The variable remuneration shall not reward:

- Excessive risk taking contrary to the risk profile of the managed funds and the limits of the mandate;
- Churning;
- Other factors, where relevant, contrary to the interests of the managed funds or their investors;

The assessment shall (where relevant) be set in a multi-year framework appropriate to either the life cycle of the managed funds or the recommended holding period of investors in the managed funds, as appropriate.

To the extent that the funds' portfolios are not fully liquid and the valuation is based on estimates, take into account the relevant types of current or future risks.

Payments related to the early termination of a contract shall reflect performance achieved over time and are designed in a way that does not reward failure.

5. Limitations concerning variable remuneration components

5.1. Scope

The limitations below shall apply to all management and employees which whose professional activities have a material impact on each company's risk profile. However, a 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.

5.2. Ceilings

The Company has decided to apply the maximum limits regarding Variable remuneration components at CWFMM may not exceed 200% of the fixed component of the total remuneration for each individual, including the senior management and other material risk takers.

This limit takes into account that this is a standard level within portfolio 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 company's field of activity and organisation.

5.3. Composition of variable remuneration components

As a minimum, 50% of variable remuneration components in group companies should consist of shares or share-based instruments in the individual company or within the C WorldWide Group. As the shares of the C WorldWide Group are not listed and thus not liquid, the remuneration may, accordance with applicable laws and regulations, be given in instruments reflecting the individual company's creditworthiness, including hybrid core capital or debt instruments pari-passu ranking with the shareholders of the company.

CWFM, as covered by the UCITS Directive, may choose not to apply these instruments where these do not comply with the UCITS Directive.

For members of the management board of CWFM, share options or similar instruments may not exceed 12.5% of the fixed basic salary including pension.

5.4. Deferral of variable remuneration components and lock-up period

For the identified material risk takers, the variable component of the remuneration (if any) shall only consist of cash.

A substantial portion (40%, however 60% in the event of a particularly high amount (100,000€)) for the variable remuneration (net of estimated taxes) shall be deferred pro-rata over 3 years, unless a longer deferral is justified by the life cycle of the managed funds or the recommended holding period of investors in the managed funds, as appropriate in each case.

The variable remuneration, including the deferred portion, is paid or vests only if it is justified by the financial situation of the Company and the managed funds.

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 6 months.

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

5.5. 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.

5.6. 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.

6. Publication and filing of remuneration policy

Publication and filing regarding the remuneration of the individual group companies and the remuneration policy shall be made to the extent required by applicable rules and regulations.

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, 2022.



In connection with the consideration of a new policy, the chairman of the Board of Directors of the CWFM 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 authorized 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 organization of the individual companies.

The above limits shall not apply to individual employees if permitted due to transitional provisions of applicable laws and regulations.

Adopted by the Board of Directors of C WorldWide Fund Management S.A. held on June 8, 2022.

Adopted by the General Meeting of Shareholders on June 30, 2022.