

Remuneration Policy for the Formuepleje-Group

1. Introduction

- 1.1 This policy ("Remuneration Policy") defines and outlines the guidelines for the Formuepleje Group (the "Group") in relation to the remuneration of the board of directors, executive board and employees whose activities have a significant impact on the Group's risk profile or the risk profile of the managed alternative investment funds ("material risk-takers"), as well as employees engaged in control functions, in accordance with the below.
- 1.2 This Remuneration Policy shall apply to remuneration of the board of directors, executive board and employees of the financial companies of the Group. Reference is made to Annex 1 (overview of the Group), which is updated continuously and as needed by the executive board. In this Remuneration Policy, the financial companies are described individually as a "Group Company" and collectively as the "Group Companies".
- 1.3 The Remuneration Policy has been prepared in accordance with applicable legislationⁱ (hereinafter referred to as "applicable legislation").
- 1.4 Under applicable legislation, the board must determine the business' remuneration policies, including pension policies and guidelines for the allocation of severance pay, in respect of persons listed in Section 2 of the Remuneration Policy, and is responsible for their implementation.
- 1.5 If a remuneration committee has been set up, this shall advise the board of directors in creating a Remuneration Policy, and assist the board in ensuring compliance with the Remuneration Policy in practice and assess whether the Remuneration Policy has been updated, including, if necessary, propose updates to the Remuneration Policy.
- 1.6 The Remuneration Policy must be approved at the annual general meeting.
- 1.7 The Remuneration Policy has been prepared taking into account the Group Companies' size and organisation, as well as the scope and complexity of the Group Companies' activities, and helps to ensure:
- compliance with, and promotion of, sound and effective risk management which does not encourage excessive risk-taking,
 - compliance with the Group's business strategy, values and long-term goals, including a sustainable business model,
 - compliance with the principles of protection of clients and investors in the performance of the Group Companies' activities and of containing measures to avoid conflicts of interest, and
 - that the total variable remuneration which the Group undertakes to pay does not undermine the Group Companies' opportunity to strengthen their capital base.
- 1.8 In addition, the Remuneration Policy is designed to ensure:
- that the board identifies and appoints the Group Companies' material risk-takers,
 - that information and reporting obligations are respected.

2. Scope and definitions

2.1 This Remuneration Policy, which intends to regulate the Group Companies' variable pay to people who may affect the Group Companies' risk profile, applies to board members, executives, employees whose activities have a material impact on the company's risk profile (material risk-takers), and employees in control functions.

2.1.1 On the board of directors in particular

The board of the Group Companies is only compensated with a fixed salary, if any, and not with any variable remuneration. Remuneration to the board is individual and reflects the competencies and contribution required in view of the Company's complexity and the scope of duties and responsibilities.

2.1.2 On the executive board in particular

2.1.3 The executive board of the individual Group Companies can be compensated through variable remuneration, which is generally indicated in a separate bonus agreement. The board must assess annually whether the variable remuneration for executive board members is in accordance with this Remuneration Policy.

2.1.4 On material risk-takers in particular

2.1.5 The Group Companies' material risk-takers must be appointed, including an ongoing and at least annual assessment of whether other employees in the Group Companies should be pointed out as material risk-takers.

As a rule, material risk-takers in the Group Companies are:

- Employees whose activities have a significant impact on the individual Group Company's risk profile, and in Formuepleje A/S, the risk profile of the managed funds. Basically, this will cause that following can be material risk-takers (after a concrete assessment):
 - Investment director
 - Head of Legal
 - Head of IT
 - Head of BA
- The management of control functions, including:
 - Management of Compliance
 - Management of the risk management function
 - Management of the accounting function
 - Management of Operations
 - Management of the secretariat function

The identification of material risk-takers will be conducted regularly by management of the individual Group Companies. Material risk-takers identified in the individual Group Companies are listed in Annex 2 to this Policy. Annex 2 must be updated, at the latest, before the allocation and payment of variable remuneration for additional assessment of whether other employees should also be listed in Annex 2.

The executive boards of the individual Group Companies are obligated to notify employees who are identified as material risk-takers of this, including about the special rules and restrictions applicable to such persons. In connection with notification about this, the executive board must distribute this Policy.

2.1.6 About employees in control functions in particular

Employees working with compliance and internal controls in the Group Companies' control functions, who are not also material risk-takers, are not covered by the remuneration rules for material risk-takers. Variable salaries for employees involved in the Group Companies' control functions, defined as employees working with compliance and internal controls, must be given based on an individual annual assessment of qualifications, functions, quality in performance and work performed.

The variable salary for employees in control functions cannot depend on the results of the sub-fund(s) the employee controls.

These employees are not subject to the other limitations on deferral, retention, etc. in this Remuneration Policy. However, they are subject to the rules on the relationship between fixed and variable remuneration in accordance with Section 5 of the Remuneration Policy.

3. Remuneration of the executive board and other risk-takers

3.1 In order to attract, retain, develop and reward employees who contribute to value creation in the Group Companies, and thus support a result-oriented culture in the Group Companies, variable remuneration can be awarded, including to the executive board and other risk-takers. The awards take the form of bonuses and incentivising programmes.

3.2 Any variable remuneration is based on various performance criteria and results – both financial and non-financial. The non-financial performance criteria must be linked to compliance with risk policy and internal and external rules, and they must, to the extent this is appropriate in view of the employee's position and responsibilities, also be linked to i.a. the achievement of strategic objectives, customer satisfaction, leadership, teamwork, creativity, motivation and cooperation with other business units and control functions. All variable compensation which is performance-based is determined on the basis of an assessment of the employee's results and the Group Companies' results.

3.3 The payment of variable remuneration shall generally be based and contingent on an assessment of the Group Companies' financial situation at the time of payment and is payable only to the extent that it does not jeopardise the financial stability of the Group Companies.

4. Definition of variable remuneration

4.1 Variable remuneration is defined as any remuneration, both monetary and non-monetary, wherein the size/value of the remuneration is not known in advance, including

- Schemes which are directly dependent on performance/results, such as bonus schemes, performance-related contracts and other remuneration schemes which depend on the employee meeting pre-established objectives and criteria.
- Retention bonuses, including retention bonuses exclusively tied to the employee remaining for a certain term and retention bonuses which are also tied to performance requirements.
- Other ad hoc/discretionary amounts which are not necessarily directly result-related are also considered to be variable remuneration. This can be one-off payments based on e.g. a bonus pool in the Group

Companies, but it can also be amounts allocated on the basis of e.g. a heavy workload, long hours, good results, the completion of projects, restructuring, etc. – i.e. ad hoc and estimated amounts.

- Employment bonuses which are not agreed in connection with the filling of a position and are not limited to the first year of employment.

Variable remuneration will thus be comprised of all pay elements which are not part of the fixed pay which is known in advance.

5. The relationship between fixed and variable remuneration

5.1 The Remuneration Policy must ensure an appropriate balance between fixed and variable remuneration, so that the relationship between fixed and variable remuneration is appropriate, proportional and balanced, and finally so that the total remuneration is in line with sound and effective risk management principles.

5.2 This means that the size of any variable remuneration, calculated at the time of award after the end of the relevant calendar year, cannot exceed a certain percentage of the fixed basic salary, incl. pension for that calendar year.

5.3 This percentage is determined as follows:

- For members of the executive board, the percentage is (up to) 50
- For material risk-takers, the percentage is (up to) 100
- For employees in control functions, the percentage is (up to) 50

However, in special cases the Group Companies' board of directors may decide that the variable compensation for material risk-takers can be up to 200 percent of the fixed basic salary, including pension, provided that the conditions specified in applicable legislation are met.

6. Payment of variable remuneration

6.1 The payment of variable remuneration to executives, board members and other risk-takers must comply with applicable legislation.

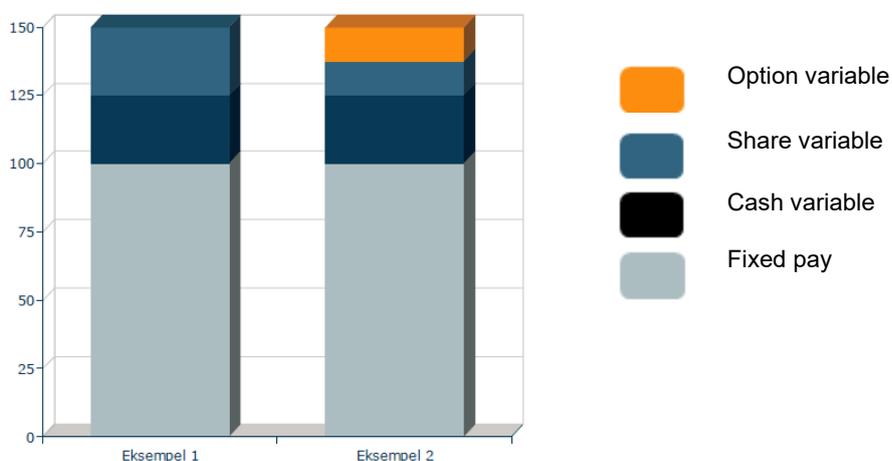
6.2 For the Group Companies, this means that agreements on the use of variable remuneration for executive board members and other risk-takers must include the following limitations:

i.	The instrument requirement must comply with applicable regulations as the single Group Company is subjected to in accordance with the Danish financial business act ("FIL") and Danish act on alternative investment fund managers, etc. ("FAIF"). FIL: at least 50 % of a variable salary component should consist of equities, equity-based instruments in the Group Companies or the parent company, or
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	<p>other instruments reflecting the Group Companies' creditworthiness, e.g. special forms of hybrid core capital.</p> <p>FAIF: at least 50 % of a variable salary component should consist of a balance of shares, capital shares or instruments in relation to capital shares in the alternative investment funds or their parent company, or other instruments reflecting the alternative investment funds' value.</p>
ii.	For a member of management, options regarding equity holdings or similar instruments cannot exceed 12.5 % of the remuneration or the fixed base salary, including pension, at the time of calculation.
iii.	Equity holdings and instruments etc. cannot be sold by the recipients until the end of a retention period of least six months. There can be no hedging of the risk associated with these equity holdings and instruments, etc.
iv.	<p>At least 40 % of a variable remuneration component must be deferred for a period of at least four (4) years for executives, and for a period of at least three (3) years for other material risk-takers.</p> <p>For major variable remuneration components (exceeding DKK 750,000), at least 60 % of the variable remuneration shall be deferred in the same way.</p> <p>Payment cannot commence until one (1) year after the calculation of the variable salary.</p>
v.	Payment of deferred variable remuneration is contingent on the awarding criteria continuing to be met and the Group Companies' financial situation not having deteriorated significantly, relative to the time of calculation, and that the employee has not attended or been responsible for a behaviour which has resulted in a significant loss to Formuepleje or has not complied with appropriate requirements for honesty in accordance with FIL article 77 a paragraph 3 / FAIF article 20 paragraph 5.
vi.	Non-paid as well as paid variable remuneration is subject to repayment ("clawback") if it is paid based on information which subsequently proves to be manifestly incorrect or inaccurate and if the employee is in bad faith. The variable remuneration must thus be repaid in whole or in part, if the variable remuneration has been paid of basis of information on results which can be proven wrong and if the recipient is in bad faith.

vii.	The Group Companies may decline to pay variable remuneration if this does not comply with the capital requirement or the solvency requirement, or if the FSA believes that there is an obvious risk thereof.
viii.	Similarly, variable remuneration cannot be paid to members of the board of directors or executive board if the Group Companies have been given a deadline by the FSA to meet the solvency requirement.

6.3 The composition of the variable remuneration = 50 % of the fixed salary can be illustrated as follows:



7. Triviality limit

7.1 If the board of directors and executive board finds it justifiable, a variable remuneration of a maximum of DKK 100,000 can be paid to executives and other risk-takers without the recipients becoming subject to the restrictions regarding deferral and instrument requirements. The other requirements (clawback) continue to apply.

7.2 A specific assessment must be made of this, and the board of directors and the executive board are jointly responsible for assessing that the exception is sound.

8. Pension benefits

8.1 The Group Companies must ensure that pension benefits which can be equated with variable remuneration comply with applicable legislation. The Group Companies do not grant pension benefits to the board, the executive board or to other employees whose activities have a material impact on the risk profile.

8.2 The Group Companies shall not award pension benefits to any employee of the Group.

9. Severance

9.1 The Group Companies exclusively enter into agreements on severance payments which:

- have been entered into in connection with the filling of the position,
- are not dependent on the results achieved in the performance of the position, and
- have a maximum value corresponding to the last two years' total remuneration incl. pension.

Agreements may also be entered into upon severance, in which case the severance payment can correspond to a maximum of 12 months' wages incl. pension.

Severance payment as indicated above must reflect the results achieved in the performance of the position over time and cannot reward unachieved results or violations.

10. Employment bonuses

The Group Companies may enter into agreements for the payment of employment bonuses.

Employment bonuses which meet the following conditions are not defined as variable remuneration, and are therefore not covered by this Remuneration Policy:

- The agreement on the employment bonus is entered into in connection with the filling of the position
- The agreed employment bonus is limited to the first year of employment
- The Group Companies have a healthy and solid capital base at the time when the employment bonus is granted.

11. Remuneration packages related to compensation or buying out other contracts

Remuneration packages related to compensation or buying out other contracts in connection with past employment must be adjusted to the Group Companies' long-term interests, including the requirements regarding payment of variable remuneration, in accordance with the above section.

12. Duty of disclosure and reporting

12.1 The Group Companies shall ensure compliance with disclosure and reporting obligations in accordance with applicable law.

12.2 In the annual report, the Group Companies publish the following:

- The total remuneration for each member of the board of directors and executive board, which the relevant individual, as part of holding this office, has received for the year, and which the relevant individual during the same year has received as a member of the board or executive board in other Group Companies

12.3 As a fund manager for alternative investment funds, Formuepleje A/S must recognize disclosure requirement regarding remuneration regulated in FAIF article 61 and article 107 in the commission delegated regulation no 231/2013 of 19 December 2012.

12.4 In accordance with applicable legislation, the Group Companies are under no obligation to publish further information, as the Group Companies are not listed and do not have total assets exceeding DKK 500 million, just as, taking into account the Group Companies' size and the scale and the complexity of the activities, the

board of directors has estimated that there is no need to make additional disclosures on remuneration, decision-making processes and remuneration structure.

12.5 Reporting to the Financial Supervisory Authority

12.5.1 In accordance with applicable legislation, the Group Companies must, by 1 May each year, report to the Danish FSA the number of people who, as part of their employment or duties as a board member of the Group Company, earned a total salary, including pension, exceeding an amount equivalent to 1 million euros in the previous financial year.

12.5.2 The report to the Financial Supervisory Authority must include the number of people per business area, whether the individual unnamed person has been appointed as a material risk-taker, the amount of each unnamed person's total remuneration including pension, split into fixed and variable remuneration, the overall amount of the variable salary which is deferred and an indication of the country in which the individual unnamed person performs their work.

13. **Delegation**

13.1 In accordance with the Act on Managers of Alternative Investment Funds Etc., Formuepleje A/S must, when delegating activities relating to portfolio management and risk management in accordance with Chapter 7 of the Act on Managers of Alternative Investment Funds Etc., ensure the following:

- that the business to which delegation is made is subject to remuneration rules similar to the Act on Managers of Alternative Investment Funds Etc.'s Sections 20-22, or
- that, in order to prevent circumvention of remuneration rules, appropriate contractual obligations are agreed with the business to which delegation is made regarding the remuneration of said business' members of management and other employees whose activities have a material impact on the fund manager's risk profile or the risk profile of the AIFs which the fund manager manages.

14. **Documentation**

Sufficient documentation describing the determination of variable remuneration of the board of directors, executive board and material risk-takers must be prepared at all times. Furthermore, a description which defines the evaluation of their performance must be available.

15. **Monitoring, control and reporting**

15.1 The board of directors of the Group Companies review the Remuneration Policy at least annually in order to adapt it to developments in the Group Companies.

15.2 The board of directors of the Group Companies is responsible for approving and monitoring that bonus agreements and incentive programmes are developed in accordance with the Remuneration Policy and legislation.

15.3 Compliance shall monitor compliance with this policy and report, on an ongoing basis and when necessary, to the board of the Group Companies regarding compliance with the Remuneration Policy.

16. Entry into force and signatures

This policy has been approved at the Group Companies' board meeting in March 2019. The Remuneration Policy shall enter into force upon approval by the Group Companies' annual general meeting.

Approved by the board of Formuepleje Holding A/S on 17 March 2020

Approved by the board of Formuepleje A/S on 19 March 2020

Approved by the board of Absalon Corporate Credit Fondsmæglerselskab A/S on 10. March 2020.

The Remuneration Policy shall be signed digitally after each board meeting by the relevant board members.

ⁱ Hereinunder, among others, the Danish financial business act, executive order on remuneration policy and remuneration in banks, mortgage banks, brokerage companies, investment management companies, financial holding companies, etc., as well as guidelines from ESMA, executive order on pay policy and information on remuneration for managers of alternative investment funds etc., as well as act on alternative investment fund managers etc.