

Information about remuneration in Capital Four Management Fondsmæglerselskab A/S and Capital Four Holding A/S

The Boards of Directors of the entities in the Capital Four Group including Capital Four Management Fondsmæglerselskab A/S and Capital Four Holding A/S (together the “Company”) have adopted a remuneration policy (the “policy”) for each entity with the objective of attract, retain, develop and reward the employees who contribute to the value creation of Capital Four and which ensures that the overall remuneration model is aligned with sound and efficient risk management principles.

The policy applies to all members of the Board of Directors and the Management Board and all employees within the Company.

The Board of Directors of Capital Four is responsible for approving and maintaining the Company’s remuneration policy and overseeing its implementation. They meet at least 4 times a year. The Board of Directors must review and verify the remuneration policy on an annual basis at a minimum and must ensure that the policy is presented to the shareholders for adoption at an annual general meeting.

The Board of Directors determines who are to be considered as a risk taker within the Company based on a recommendation from the Board of Management.

Principles of remuneration

The total remuneration package for employees in the Company consists of several elements and aims at honouring and encouraging a performance that creates value for the Company through results as well as behaviour.

The main part of the remuneration package generally consists of fixed remuneration – compensating employees on a monthly basis – in the form of a base salary and often with the addition of a pension benefit and one or more non-pay benefits. The remuneration package furthermore consists of the possibility of variable remuneration, primarily through the Company’s variable remuneration Scheme, however with due respect of the limitations described below. The remuneration components are balanced in order to ensure a flexible variable remuneration package and a sound and efficient risk management.

Payment of any variable remuneration is based on the following:

- Various performance criteria which take into account the risks and the performance of the Company, the business unit/department in which the employee is employed, and the employee. The performance criteria consist of both financial (quantitative) and non-financial (qualitative) performance criteria and are linked to adherence to risk management policy and compliance with internal and external rules as well as achievement of strategic goals etc. The relative importance of each level of the performance criteria must be determined up-front and adequately balanced to take into account the position and responsibilities held by the employee.
- Entitlement to any variable remuneration is conditional on that the employee does not use any personal hedging strategies or insurance to undermine the risk alignment effects embedded in the variable remuneration scheme.
- Payment of variable remuneration is generally based and conditional on an assessment of the Company’s financial situation at the time of payout and may only be payable to the extent it does not compromise the financial stability of the Company.

CAPITAL FOUR

Variable remuneration is awarded on a fully discretionary basis except for extraordinary situations in connection with the hiring of new employees, but then only for the first year of employment.

Payment of variable remuneration to management and other risk takers as determined by the Board of directors is subject to the provisions and limitations in applicable EU legislation on variable remuneration. These limitations include amongst other ceilings in relation to variable remuneration versus fixed remuneration, deferral periods, retention periods for variable remuneration instruments and continuous fulfilment of certain criteria at the expiry of a deferral or retention period.

Variable remuneration paid to risk takers is consequently subject to the following limitations:

The amount of any variable remuneration awarded to an employee considered as risk taker must not exceed a certain percentage (a ceiling). For members of the Management Board, the percentage is 50 and for other employees considered as risk takers, the percentage as a rule is 75.

Any variable remuneration awarded to a risk taker consists as a minimum of 50 % of instruments in the form of shares in Capital Four, share-based instruments of Capital Four and/or other instruments approved under the applicable national and EU legislation (i.e. instruments which reflect the creditworthiness of Capital Four). A maximum of 50 % of the variable remuneration award must consist of cash payment

However, for members of the Management Board, the value of the instruments in the form of warrants, options and similar instruments must not exceed 12,5 % of the total amount of the employee's base salary and any pension benefits for the respective calendar year.

Payment of at least 40 % of any variable remuneration award to an employee must be deferred over a period of four years for members of the Management Board and three years for other risk takers.

However, the deferred part of the employee's variable remuneration award must be 60 % if the amount of the variable remuneration award is equal to or above either DKK 500,000 or this is considered appropriate when considering the impact the employee can have on the risk profile of the Company and the responsibilities and tasks performed by the employee.

On termination of employment severance is paid out in accordance with applicable law.

No employee at Capital Four are entitled to a remuneration of 1 million EUR or above per financial year.

Remuneration of management

The members of the Board of Directors of Capital Four are compensated only with fixed remuneration, if any, and not with any variable remuneration.

The members of the Management Board of Capital Four are compensated with a fixed and a variable remuneration subject to the limitations for variable remuneration set out above.

Information about the remuneration of management is available in the Annual Report of the Company.