

WAGE POLICY

Background

This salary policy (Policy) applies to CFS Management Ltd.

The policy describes the overall framework for remuneration of the boards of directors, the executive boards, employees in control functions and other employees in CFS Management Ltd the group.

The respective boards of CFS Management Ltd review update and approve the Policy as needed, however, at least once a year. The policy must be approved by the respective general meetings of CFS Management.

Purpose

The purpose of the Policy is that the principles for the allocation of wages are in accordance with and promotes sound and efficient business operations and risk management, and complies with applicable regulations legislation.

Furthermore, the purpose is to ensure consistency between remuneration and CFS Management's business strategy, values, business model, sustainability strategy, key priorities and long-term goals, including ensuring that the total variable salary does not undermine CFS Management's capital base.

The policy also aims to ensure that the principles of protection of customers and investors observed and that conflicts of interest are handled.

Finally, the purpose is to ensure that employees in CFS Management are aware of them applicable remuneration principles and the criteria for determining the individual salary.

Conflicts of interest

CFS Management has issued a policy with a view to identifying, managing and so on possible avoidance of circumstances that constitute or may lead to a conflict of interest.

Conflicts of interest may arise in connection with CFS Management's execution of business activities and may cause the customer and / or investor to suffer financial losses or on otherwise be treated unfavourably.

The purpose of this Policy is to ensure that the determination of pay conditions and the payment of variable pay do not occur in such a way that conflicts of interest arise between CFS Management and their employees on the one hand and the interests of customers and investors on the other.

The Boards of Directors and the Executive Board of CFS Management are obliged to observe this purpose duly complied with partly in compliance with the established policy for handling conflicts of interest partly in the determination of criteria for obtaining variable pay as well as the specific its implementation in CFS Management.

Remuneration to employees

The following principles apply to employees in CFS Management.

Wage principles

Salary is used as an active tool in CFS Management's strategic management with the aim of remunerate the employee's function, qualifications, efforts and results in a market-compliant manner level. The employees' choice of CFS Management as a workplace must mainly be based on the ability to take responsibility is able to make a difference and thus create development and results.

CFS Management strives to be as attractive a workplace on several parameters and recognises the need to remunerate in accordance with the market.

Wage components

An appropriate balance is sought in the composition of the salary package, which may consist of the following components:

- Fixed salary
- Pension
- Staff benefits
- Any variable pay, including bonus, severance pay and, in special situations, fixed holding bonus and new employment allowance.

Fixed salary

For the individual employee, the individual fixed salary is determined on the basis of the salary level for the type of position in question and on the basis of a specific assessment of the individual competencies, experience, efforts as well as development and potential.

Employees who change positions internally in CFS Management are remunerated according to the position content in the new position.

Pension

CFS Management use defined contribution pension schemes. For the employees there entered into a collective pension scheme so that CFS Management pays in an amount corresponding to a given percentage of the employee's fixed salary (and thus not of any variable salary, including bonus) to a pension company with which CFS Management has an agreement. In addition, the employees can, as far as they wish, pay extra to the pension company.

Staff benefits

CFS Management makes various employee benefits available to all employees. That deals with employee benefits that are common in the industry, including lunch arrangement and health insurance.

In addition, employees are offered other employee benefits such as free telephone, newspaper, broadband, etc. In addition, certain employees may, by agreement, have a company car made available.

Variable salary

Variable salary - Bonus

CFS Management is of the opinion that it is important to have the opportunity to motivate and reward managers and employees who make an extraordinary effort and high performance that in significantly contributes to sustainable results while promoting a healthy, sustainable and effective risk management.

In the event of CFS Management's satisfactory profit creation, the Executive Board may take action decision to award bonus. The total bonus pool depends on the individual result and is determined by the executive board based on the result and the activities as well as major projects that have been through the year as well as taking into account CFS Management's need to strengthen its capital base and address the existing and expected risks that CFS Management faces.

The determination of the individual employee's bonus can have two elements - one discretionary and one quantitatively - and is made on the basis of an overall assessment of the individual employee contribution to the creation of results, integration of sustainability risks into investment decisions and - processes and contributions to other ESG-related objectives, other efforts and compliance with CFS Management's internal rules.

CFS Management has set an upper limit for the percentage of variable pay constitute of the fixed salary. This percentage varies according to the position of the individual employees, but can amount to a maximum of 150 per cent. of the fixed salary.

Variable salary - Severance pay

i) Upon filling a position, the group companies may enter into an agreement on payment of severance pay on the employee's later resignation. The severance pay must at the time of resignation, amount to a maximum amount corresponding to the total of the last 12 months remuneration including pension. Occupancy of a position includes both new hires and situations, where an employee changes position in CFS Management, provided that one occurs at the change of position renegotiation of the terms applicable to the employment relationship.

The severance pay must not be made dependent on results obtained by handling the position, may not be paid upon the employee's own termination, and must be conditional on, that the employee at the time of resignation has not breached his employment law obligations.

ii) In connection with an employee's resignation, the group companies may enter into an agreement on payment of a severance pay in addition to the severance pay provided by the employee may be entitled to in accordance with applicable law or by agreement within the framework of this Policy. At the time of resignation, such severance pay may not exceed constitute an amount corresponding to the total remuneration for the past 12 months, including pension. Appointment on payment of severance pay in connection with an employee's resignation can only be used in cases where the payment is deemed appropriate in relation to CFS Management interests.

The severance pay is not paid if the employee has defaulted during the period its employment law obligations, including breaches of the policies of the group companies and guidelines or during the period have missing results.

(iii) Severance pay under (i) and (ii) is not included in the calculation of the ceiling above the maximum bonus in relation to fixed salary.

An agreement on the payment of severance pay is approved by the Executive Board. Includes it the employee in question in the Executive Board, the agreement on severance pay is approved by it relevant board.

Variable salary, new employment allowances and retention bonus

In connection with the filling of a position, the group companies may enter into an agreement new employment allowance (sign-on) in an amount corresponding to a maximum of 12 months' salary inclusive pension at the time of accession.

The new employment allowance must be paid within the first year of employment and the payment must be made be conditional on CFS Management having one at the time of allotment and payment sound and solid capital base. Agreement on new employment allowance is approved by the chairman of the board of CFS Management and can only be used in cases where it deemed necessary for the purpose of recruiting staff with special competencies.

New employment allowance is not included in the calculation of the ceiling on maximum variable salary in relation to fixed salary.

In special situations where CFS Management's interests so require, e.g. in connection with reorganisations, company acquisitions or extraordinary tasks, CFS Management can enter into agreement on payment of retention bonus to employees whose retention is deemed necessary in the special situation. Retention bonus can in principle not exceed 6 months fixed salary including pension at the time of the agreement and is included in the calculation of the ceiling on maximum variable salary in relation to fixed salary.

Agreements on retention bonuses are approved by the chairman of CFS Management.

Remuneration of employees in control functions

Remuneration for employees in control functions, including variable pay, is determined according to the principles described above under remuneration of employees.

However, employees in control functions cannot receive variable pay, which is dependent on the results of the functions they control.

Remuneration to the Board of Directors

Board members are remunerated only with a fixed fee and are not covered by any kind of variable pay, including incentive pay, bonus, severance pay or new employment allowance.

The fee level is determined on the basis of an assessment of what the level is for similar companies in branches. The chairman of the board of directors of CFS Management makes the assessment, and if the latter believes that there is a need to adjust the fee level, this is discussed with the Board of Directors before the adjustment is proposed for the next general meeting.

The remuneration of the Boards of Directors is approved by the general meetings of CFS Management.

Remuneration to the Executive Board

The following principles apply to the Executive Board in CFS Management.

Wage components

An appropriate balance is sought in the composition of the salary package, which may consist of the following components:

- Fixed salary
- Pension
- Staff benefits. These are employee benefits that are commonly found in industry, including lunch arrangements and health insurance. In addition, members of the Executive Board and certain significant risk takers are offered other employee benefits such as free telephone, newspaper, broadband, company car, etc.
- Any variable salary, including bonus, severance pay and in special situations fixed holding bonus as well as new employment allowance.

In relation to severance pay, new employment allowance and retention bonus, please refer to the general rules above under the remuneration of employees. Retention bonus will also for management and significant risk takers be covered by the regulations for variable pay as described below.

Fixed salary for the members of the Executive Board

The remuneration of the members of the Executive Board is assessed once a year by the Chairman of the Board of Directors of CFS Management. The assessment is made after completion of the company annual accounts. The assessment is based, among other things, on the results achieved, expectations for its future development and results, the director's professional experience and organisational responsibilities as well market conformity. Salary level and any adjustments are approved by the boards of directors in the respective group companies.

Pension for members of the Executive Board

In addition to the fixed salary, the members of the Executive Board of CFS Management can receive a pension. The pension conditions of the members of the Executive Board are individually stipulated in the CEO contract. Used non-defined contribution plans.

Variable salary for the members of the Executive Board

The board members' bonus cannot exceed 50 per cent. of their gross annual salary, inclusive pension contributions, on an annual basis. Furthermore, members of the Executive Board cannot receive a bonus, if CFS Management receives a deadline from the FCA for fulfilment during the bonus period in question of solvency requirements or capital requirements or the FCA requires CFS Management to prepare a plan for restoration of the financial situation of the group company.

The terms of the Executive Board members' bonus are set by the Boards of Directors for one year at a time and includes setting performance criteria. The performance criteria relate to CFS Management's results, CFS Management's results and the director's own performance and may include the following criteria:

- Cost development
- Costs per AUM (Assets Under Management)
- The result before taxes
- The Board of Directors' discretionary assessment of the director's efforts
- Returns on portfolios where investment advice or portfolio management is provided,
- Satisfaction of the partners
- Customer satisfaction
- Compliance with rules and business procedures (compliance)
- ESG-related goals, e.g. CFS Management's overall ESG profile and contribution to sustainable position

Other criteria may also be included, and it is the responsibility of the boards to ensure that the performance criteria put together in a way that ensures that the criteria support CFS Management's long-term goals and address the risks facing CFS Management. There can as principle, no bonus can be obtained if the director has disregarded internal guidelines and policies during the bonus year in the company.

Control

The boards of directors of the individual group companies are responsible for ensuring that at least once a year a check is made of whether CFS Management's remuneration policy is complied with.

The boards of directors establish the framework for this control and have the overall responsibility for that CFS Management's remuneration policy is complied with.

The Boards of Directors have determined that CFS Management's compliance function at least once a year carries out a check on compliance with CFS Management's remuneration policy. The compliance function selects for a random check a mix of members of the Executive Board, significant risk takers and employees and check that criteria for allocating variable pay, etc. are met.

The result of the inspection is reported in the compliance report for the first half of the year to the boards of CFS Management in the third quarter.

Remuneration Committee

Due to CFS Management's relatively uncomplicated size, both balance sheet and in terms of employees, and as CFS Management are not admitted to trading on a regulated basis market, there is no legal requirement or need for the establishment of a separate remuneration committee.

Entry into force

This remuneration policy is valid from the approval at CFS Management' general meetings.