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1. Introduction and purpose

- 1.1. This policy defines and outlines the remuneration policy of CPH Capital Fondsmæglerselskab A/S (hereinafter referred to as “CPH Capital” or the “Company”) and is established in accordance with the regulations set out by the Danish Investment Firms and Investment Services and Activities Act, consolidated act no. 232 of 1 March 2024 (in Danish: “Lov om fondsmæglerselskaber og investeringservice- og aktiviteter”), the Danish Executive Order no. 1242 of 10 June 2021 on remuneration policy and remuneration (in Danish: “bekendtgørelse om lønpolitik og aflønning i pengeinstitutter, realkreditinstitutter, fondsmæglerselskaber, investeringsforvaltningselskaber, investeringsforeninger samt visse holdingvirksomheder”) as well as applicable EU guidance and regulations (the “Remuneration Rules”) in accordance with the overall business strategy of the Company.
- 1.2. The purpose of this policy is to outline key principles for remuneration of the employees in the Company and to ensure that the Company has remuneration practices consistent with and promoting sound and effective risk management pursuant to the Remuneration Rules.

2. The Scope

- 2.1. This policy applies to all employees of the Company and members of the board management of the Company (the “Board Management”) and the board of directors of the Company (the “Board of Directors”), provided however, that clause 6 only applies to material risk takers (as defined below).

3. Remuneration Committee

- 3.1. Under Danish legislation, the Company is currently not obliged to form a remuneration committee, as such an obligation generally only applies to investment firms, where the value of its on and off-balance sheet assets is on average equal to or more than EUR 100 million over the four-year period immediately preceding the given financial year. However, should the requirement for such a remuneration committee arise, the Board of Directors must ensure that such a committee is formed, composed of members of the Board of Directors, no later than the first coming Board Meeting or the first coming annual general meeting, whatever comes first, and in accordance with any applicable legislation required.


4. Remuneration principles in general (applies to all employees)

4.1. General

- 4.1.1. The remuneration of the employees in the Company may consist of fixed and variable salary components. The Company ensures that there is an appropriate balance between fixed and variable remuneration. The remuneration may include the following:

- Fixed monthly salary, including allowances
- Pension
- Insurance
- Other benefits, including mobile phone, company car, internet connection
- Variable remuneration (bonus)

4.2. Fixed remuneration

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4.2.1. Fixed remuneration comprises e.g. the employee's base salary, including any fixed allowances; any pension benefits calculated on the basis of the employee's base salary; and any benefits which are granted or made available to the employee on a continuous basis (e.g. company car, insurances, mobile phone, internet connection).

4.2.2. The fixed remuneration is determined based on relevant professional experiences and organizational responsibilities, individual performance and qualifications and is also determined considering market conditions.

4.3. Pension benefits

4.3.1. Pension benefits is characterized as being payments made by the Company, irrespective of whether the payment is considered an employer contribution or an employee contribution, which entitles an employee to rights under a pension scheme from a third party.

4.3.2. Where the Company pays a pension benefit, it is in the form of a pension contribution, calculated as a certain percentage of the employee's base salary or a part thereof, to a third party defined contribution pension scheme. The employer contribution is negotiated separately and should reflect current market standards. The employee's contribution is decided separately. It is noted that not all CPH Capital employees receive a pension benefit.

4.3.3. Where the Company pays a pension it is calculated on the basis of the fixed remuneration only and the Company does not provide pension benefits which entirely or partly can be compared to variable remuneration.

4.4. Variable remuneration

4.4.1. Variable remuneration is characterized by being remuneration where the size/value of the remuneration is not known in advance, e.g. bonuses schemes, on-off bonuses or similar arrangements not being part of the fixed remuneration.

4.4.2. Variable remuneration comprises e.g. any form of remuneration where the grant is based on the performance of the employee, the division and/or the department of the Company in which the employee is located and/or the Company (i.e. remuneration granted as part of a variable remuneration or incentive scheme) and share options.

4.4.3. If variable remuneration is granted, it must be ensured that there is a balanced ratio between fixed and variable remuneration. Furthermore, variable remuneration for Material Risk Takers must comply with the below rules on variable remuneration for Material Risk Takers.


4.4.4. When granting variable remuneration, it must be ensured that relevant criteria are applied, e.g. payment of any variable remuneration must be based on the following principles:

(a) Variable remuneration which is performance based shall be determined based on an assessment of the performance of the employee, performance of the division and/or the department of the Company in which the employee is located and the results of the Company.

(b) When assessing the performance of the employee both financial and non-financial criteria shall be taken into account.

4.5. Severance pay

4.5.1. Besides from severance pay (in Danish: "fratrædelsesgodtgørelse") stipulated by mandatory law or collective bargaining agreements, the employees are generally not entitled to receive

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any severance pay. However, the Board of Directors or the Board of Management may in specific situation in their sole discretion decide to enter into agreements on severance pay.

- 4.5.2. Such severance pay can either be agreed in connection with entering into the employment relation, during the employment or in connection with the termination of the employment. For Material Risk Takers any granting of severance pay must comply with Remuneration Rules.

5. Identification of material risk takers

- 5.1. According to the Remuneration Rules, the Board of Directors are required to identify individuals whose professional activities have a material impact on the risk profile of the investment firm or of the assets that it manages (“Material Risk Takers”). As a minimum, Material Risk Takers should include (i) all members of the Board of Directors and the Board of Management; (ii) employees responsible for the firm’s compliance, risk management, internal audit and other control functions; and (iii) employees with a total salary that at least corresponds to the lowest salary awarded to a member of the Board of Management or another material risk taker during the financial year, and whose work has a significant impact on the firm’s risk profile or on the assets it manages.
- 5.2. The scope of individuals considered Material Risk Takers in the Company shall be based on a thorough assessment of roles, responsibilities and actual mandates of positions that must be included as Material Risk Taker positions under applicable regulatory requirements, as well as a sound assessment of risk under the specific characteristics of the Company’s business.
- 5.3. Special attention must be paid to mandates in relation to financial instruments, investment of company funds, trading mandates, control and compliance functions and senior managerial responsibilities.
- 5.4. The Board of Directors shall determine the individuals who are to be considered Material Risk Takers within the Company on at least an annual basis.


6. Remuneration to the Board of Directors, the Board of Management and other material risk takers (Material Risk Takers)

- 6.1. In addition to the general principles set out in clause 4, the following requirements apply in relation to remuneration to Material Risk Takers in accordance with the Remuneration Rules:

6.1.1. Limitations on amount

- (a) The amount of any variable remuneration awarded to a Material Risk Taker must be subject to a maximum amount (a ceiling). This means that the amount of any variable remuneration award, calculated at the time of allotment after the end of the respective calendar year (accrual period), must not exceed a certain percentage of the total amount of the employee’s base salary and any pension benefits for the respective calendar year. This percentage is as follows:

- for members of the Board of Management and Board of Directors, the percentage is 50%; and
- for other Material Risk Takers, the percentage is 100% (although the Board of Directors has determined that a percentage of 200% can be applied, subject to certain conditions

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being fulfilled).

6.1.2. Payment in financial instruments

- (a) Any variable remuneration awarded to a Material Risk Taker must consist – the value of which must be calculated at the time of allotment after the end of the respective calendar year – of the following:
- A minimum of 50% of the variable remuneration award must consist of instruments in the form of shares or share-based instruments of CPH Capital or a parent company in CPH Capital's group, which is eligible under applicable regulatory rules and/or other instruments approved under the applicable national and EU legislation.
 - Since CPH Capital is 100% owned by AllianceBernstein, shares or share-based instruments of AllianceBernstein L.P. are qualified to be awarded as a component of variable compensation.
 - A maximum of 50% of the variable remuneration award shall consist of cash payment.
- (b) For members of the Board of Directors and the Board of Management, 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 person's base salary and any pension benefits for the respective calendar year.

6.1.3. Deferral period

- (a) Payment of at least 40% of any variable remuneration award to a Material Risk Taker must be deferred over a minimum period:
- five years for members of the Board of Management and Board of Directors; and
 - four years for other employees.
- (b) However, the deferred part of the relevant Material Risk Taker's variable remuneration award must be 60% if the variable remuneration is considered a significant amount, which would typically be the case in the following situations:
- The amount of the variable remuneration award is equal to or above DKK 750,000; or
 - this is considered appropriate when considering the impact the relevant Material Risk Taker can have on the risk profile of the Company and the responsibilities and tasks performed by the Material Risk Taker.
- (c) The deferral period must start at the time the non-deferred (up front) part of any variable remuneration award can be paid out.
- (d) The deferred part of any variable remuneration award must be paid out pro rata on an annual basis calculated as of the date stated above. Thus, any variable remuneration award must be paid out in four pro rata installments when the deferral period is four years and in five pro rata installments when the deferral period is five years (the installments shall be equal or increasing during the deferral period).

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(e) The above under clause 6.1.3(d) applies to both the part of (i) the variable remuneration award which, as stated above, must consist of one or more of various instruments and (ii) the part which consists of cash payment.

(f) Payment of the deferred part of any variable remuneration award must be conditional on:

- Satisfaction of corporate and individual performance criteria set at the time of the award to ensure that the basis for the variable remuneration award is still fulfilled;
- the recipient of the payment has complied with applicable requirements for fitness and propriety and has not participated in or been responsible for any conduct that has resulted in significant losses to the Company; and
- that the Company's financial situation has not been substantially weakened compared to the time when the variable remuneration award was fixed after the end of the respective calendar year.

6.1.4. Retention requirements

(a) On payment of the part of any variable remuneration award consisting of eligible instruments, the instrument must be subject to a retention period during which the relevant Material Risk Taker is not entitled to transfer, assign, pledge or otherwise dispose of his or her rights under the instrument. The retention period is determined on a case-by-case basis and must be a period equal to at least 6 months.

6.1.5. Claw back

(a) A Material Risk Taker must be obliged to repay any part of a variable remuneration award already paid out if it was paid out on the basis of data which turn out to be falsified or misstated and there is reasonable evidence that the relevant Material Risk Taker has engaged in fraud, malfeasance or bad faith in connection with such data.

6.1.6. Restriction on hedging


(a) A Material Risk Taker's entitlement to a variable remuneration award must be conditional on that the relevant Material Risk Taker does not use any personal hedging strategies or insurance to undermine the risk alignment effects embedded in the variable remuneration scheme.

(b) This applies to both the non-deferred (to the extent still subject to retention in accordance with (i) above) and deferred part of any variable remuneration award and also to any part of the variable remuneration award already paid out. In the latter situation, the relevant Material Risk Taker must be obliged to repay the part already paid out.

6.1.7. Other limitations

(a) The Company must be entitled not to pay out any variable remuneration award if, at the time of payment of such award CPH Capital does not comply with applicable capital and/or solvency requirements as set out in sections 120 and 121 of the Danish Investment Firms Act and Articles 7 and 11 of Regulation (EU) 2019/2033 on the prudential requirements of investment firms (the "IFR"), or the Danish Financial Supervisory Authority is of the assessment that there is a reasonable risk that CPH Capital does not comply with these


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requirements.

7. Responsibilities of the Board of Directors

- 7.1. The Board of Directors must ensure that the Company's remuneration policy and remuneration practices do not prevent the Company from maintaining a sound capital base.
- 7.2. The Board of Directors is responsible for complying with specific disclosure requirements to inform employees, the public and authorities in relation to its remuneration practices, which are demanded through national legislation. This includes, among others, a yearly obligation to:
 - (i) in immediate connection with completion of the annual accounts for the Company (and no later than 1 May of each year) submit to the Danish FSA the information set out in Article 51(b) and (c) of the IFR,
 - (ii) at the same time as (i), publish the information set out in Article 51 of the IFR in accordance with Article 46(4) of the IFR.
- 7.3. Furthermore, the Board of Directors must ensure that this policy is communicated to all employees and that appropriate internal procedures and controls are in place to ensure the guidelines herein are observed by the Company's employees.
- 7.4. The Board of Directors is responsible for approving and maintaining the Company's remuneration policy and overseeing its implementation.
- 7.5. In the design and oversight of the remuneration policy, the Board of Directors must properly involve the Company's Board of Management and other relevant corporate functions and take into account all relevant inputs provided by the Board of Management and such corporate functions.
- 7.6. The Board of Directors must review the Company's remuneration policy at regular intervals and at least once a year. Moreover, the Board of Directors must ensure that at least once a year a control is made of whether the Company's remuneration policy is complied with. Such reviews and controls must assess whether the overall remuneration system:
 - operates as intended, including, in particular, that all agreed plans/programs are being covered, that the remuneration payouts are appropriate, and that the risk profile, long-term objectives and goals of the Company are adequately reflected; and
 - is compliant with applicable laws and regulations.
- 7.7. The results of the reviews must be made available to the involved corporate functions and committees as well as the Board of Management. The results of the controls, if not conducted by the Board of Directors, must be reported to the Board of Directors.
- 7.8. Where periodic reviews reveal that the remuneration system does not operate as intended or prescribed, the Board of Directors must ensure that a timely remedial plan is put in place.

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8. Revision and Approval History

Version	Approval Date	Revision details
Draft	30 October 2012	New Policy
Final	10 January 2013	Approved version
Update	10 June 2013	No material changes to approved version
Update	27 March 2015	Amendment of policy as a consequence of aligning with ABL Remuneration Policy
Update	30 May 2017	Updated personnel and ABL policy
Update	19 February 2019	Updated Risk Takers and variable compensation
Update	30 December 2019	Updated details of eligible instruments for variable remuneration
Update	30 March 2020	Updated Risk Takers and variable compensation
Update	29 March 2021	Updated Risk Takers and deferred remuneration periods
Final	8 December 2021	Updated to reflect changes of Danish legislations and updated Material Risk Takers sections
Update	31 May 2022	Updated Material Risk Takers section
Update	16 th November 2023	Update Material Risk Takers section to reflect new Board members
Update	4 th April 2024	Update Material Risk takers section to reflect new Board members
Update	1 st April 2025	Material updates to the policy. Firstly to allow it to be a stand-alone document applicable to employees in CPH Capital more generally (and not just the MRTs), and secondly so that the policy should comply with the general requirements for remuneration policies (not just the requirements that are applicable to MRTs).