
SANDBERG
CAPITAL

<i>Guideline name</i>	Remuneration Principles
<i>Guideline no.</i>	VS19
<i>Valid for</i>	All employees
<i>Prepared by</i>	Richard Flimel
<i>Verified by</i>	Ján Maxim
<i>Approved by</i>	The Board of Directors
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<i>Signature of the Managing Director</i>	Martin Fedor

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1. Introductory Provisions

- 1.1 The present Internal Guideline sets out the policy and procedures of **Sandberg Capital, správk. spol., a.s.** (hereinafter: the “Company”) in the field of employee remuneration.
- 1.2 The aim of the Guideline is to inform the employees of remuneration principles and tools, mainly with particular wage components and their purpose. The present Guideline is intended for all employees.
- 1.3 The present Internal Guideline is prepared in accordance with generally binding legal regulations, in particular, the Act No. 203/2011 Coll. on Collective Investment, as amended, the Act No. 311/2001 Coll. the Labour Code, as amended, and the ESMA Guidelines on correct remuneration policies according to the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and a recommendation of the Financial Market Supervision Unit of the NBS No. 1/2013 dated 14.08.2013 for management companies concerning remuneration principles.
- 1.4 The rules laid down by this standard have been prepared by the Company founders.

2. Definition of Terms

- 2.1 **Employee** - according to this standard, it means a person who is in the employment relationship with the Company or another similar relationship or a person who is a member of a statutory body or other body of the Company.
- 2.2 **Employees with a significant influence on the risk profile of the management company or managed collective investment undertakings** - according to this standard, they are the following persons:
 - a) Members of the Board of Directors of the Company;
 - b) The Managing Director;
 - c) Top management members, i.e. persons under direct control of the Board of Directors of the Company;
 - d) Senior managers responsible for managing investments.
- 2.3 **Employee with internal control function** – means a person whose job description contains the control of Company processes. They are mainly employees responsible for risk management and compliance of the Company. With respect to the size of the Company and the scope of services rendered, the internal control function is not developed in the Company.
- 2.4 Other terms and abbreviations used are explained directly in the text of this Internal Guideline.

3. Responsibilities

- 3.1 The remuneration rules according to this Internal Guideline have been prepared by the founders of the Company.
- 3.2 The Company's Supervisory Board evaluates the remuneration principles on a yearly basis, and is responsible for their implementation and proper application.

4. Remuneration Rules

4.1 Remuneration Purpose and Principles

- 4.1.1 The purpose of the remuneration system is to properly manage and support the employee performance in attaining the Company's business strategy and objectives.
- 4.1.2 The individual principles and procedures for remuneration are binding on the Company and on all its employees:
 - a) They promote sound and effective risk management of the Company,
 - b) They do not encourage risk-taking beyond the level of risk accepted by the Company,
 - c) They are consistent with the business strategy, objectives, values and long-term interests of the Company,
 - d) They include measures to prevent the conflicts of interests with respect to the remuneration.
- 4.1.3 The Supervisory Board and the Board of Directors of the Company ensure that the purposes and principles of remuneration are fulfilled.
- 4.1.4 The functioning of the remuneration system, in particular the implementation of approved principles and plans, the appropriateness of remuneration in relation to the risk profile and long-term objectives of the Company, compliance with national and international regulations and standards, are subject to independent internal control. The Supervisory Board of the Company is responsible for taking measures to correct and ensure the proper functioning of the remuneration system.
- 4.1.5 Each employee is obliged to notify the Supervisory Board or the Board of Directors of the Company if he/she identifies or suspects that the Company's remuneration system does not ensure the attainment of the purpose and rules of remuneration.

4.1.6 With respect to the size of the Company and the nature of services rendered, a remuneration committee is not established.

4.2 Remuneration Components and Rules

4.2.1 Employee remuneration consists of the following components:

- a) Basic salary
- b) Variable remuneration
- c) Benefits

4.2.2 The Company does not provide guaranteed remuneration, commencing bonuses or any other remuneration in the minimum guaranteed amount.

4.2.3 At the same time, the Company does not allow circumventing the purpose and principles laid down in this Guideline in such a way that the movable components are provided to employees in a form other than the principles as laid down by this Guideline.

4.2.4 The Company does not provide employees with special retirement benefits under special regulations.

Basic salary

4.2.5 A basic salary means the fixed component of the remuneration of the employee and is agreed individually.

4.2.6 When determining the amount of the basic salary, the market salary for the relevant position and the qualifications and professional experience of the particular employee are taken into account.

4.2.7 The basic salary is reviewed regularly on an employee's annual assessment based on market wage developments, employee performance and economic possibilities of the Company. For the avoidance of doubt, the Company adds that the employee's annual assessment does not create an entitlement for the employee to any increase in the basic salary, and the increase in basic salary, if any, is at the discretion of the Company or is subject to agreement between the employer and the employee.

4.2.8 Other rights and obligations of the Company employees related to the basic salary are laid down in the Company's wage regulations.

Variable Remuneration

- 4.2.9 The variable remuneration represents the annual remuneration which may be awarded and paid to the employee in the amount reflecting his/her work performance in the period under review, as a rule, an annual period. The annual remuneration shall not exceed 50% of the annual basic salary. Since the annual remuneration is a way of evaluating the employee for the proper performance of his/her work tasks and does not have an incentive effect in terms of increasing the risk, the period of retention of this remuneration component is not applied after the end of the period under review.
- 4.2.10 The criteria for determining the amount of the employee's annual remuneration are set out in Annex No. 1.
- 4.2.11 The Company undertakes to maintain a reasonable balance between the good financial situation and the granting, payment and allocation of the variable remuneration component. In the event that the Company fails to maintain a good financial situation, instead of granting, paying or allocating a variable remuneration component, the net profit of the Company in that year and, as appropriate, in subsequent years, shall be used to strengthen its financial situation.
- 4.2.12 The Managing Director shall decide on the granting of the annual remuneration and its amount, in accordance with the purpose and principles of remuneration of the Company. Granting of the annual remuneration to an employee at any time in the past does not create an entitlement for an employee to an annual remuneration in the next period.
- 4.2.13 The remuneration principles as laid down in par. 4.3 shall apply to the granting of the annual remuneration, the determination of its amount and the conditions for its provision to employees with a significant impact on the overall risk profile of the Company.

Benefits

- 4.2.14 Benefits are a non-monetary payment provided to employees in connection with a labour-law relationship or similar relationship. Benefits are not part of the wage and include the provision of a mobile phone, parking space and other non-cash benefits that do not have an incentive effect in terms of risk-taking.

4.3 Remuneration of Employees with a Significant Influence on the Risk Profile of Companies and Managed Collective Investment Undertakings

Remuneration principles

- 4.3.1 This Chapter regulates remuneration principles for employees who have a significant influence on the overall risk profile of the Company and the risks of managed collective investment undertakings.

- 4.3.2 For the purposes of determining the remuneration policy for employees with a significant influence on the risk profile of the Company and managed collective investment undertakings, the Company carried out an analysis of the work activities and responsibilities of the Company's employees and identified the categories of employees with a significant influence on the risk profile of the Company and a managed undertaking.
- 4.3.3 The Company manages an alternative investment fund for professional investors who represent clients/investors with a good understanding of the risk associated with the investment. The risk profile, the focus of the fund as well as the remuneration of the management company is dealt with by the Statute of the managed fund itself.
- 4.3.4 With respect to the size of the Company, the scope of services and the profile of the managed undertaking, the Company has identified the following categories of employees with a significant influence on the risk profile of the Company and the managed undertaking:
- a) Members of the Board of Directors,
 - b) The Managing Director,
 - c) Employees responsible for managing investments,
 - d) Top management members, i.e. persons under direct control of the Board of Directors of the Company.

Remuneration of Board of Directors members

- 4.3.5 The members of the Board of Directors are remunerated with:
- a) The basic remuneration under the service agreement,
 - b) The annual remuneration does not apply to the members of the Board of Directors.

Remuneration of the Managing Director

- a) Basic salary
 - b) Variable component
- 4.3.6 The variable component of the Managing Director consists of an annual remuneration of up to 50% of the annual basic salary. Since the annual remuneration is a way of evaluating the Managing Director for the proper performance of tasks and does not have an incentive effect in terms of increasing the risk, the period of retention of this remuneration component is not applied after the end of the period under review.

- 4.3.7 The criteria for determining the amount of the Managing Director's annual remuneration are set out in Annex No. 3.
- 4.3.8 The Board of Directors is responsible for the proposals for the granting of the remuneration to the Managing Director and the amount thereof. If the Managing Director is at the same time a member of the Board of Directors, the proposal for remuneration and its amount is submitted by the remaining members of the Board of Directors and the remuneration is subsequently approved by the Supervisory Board of the management company.
- 4.3.9 The Company undertakes to maintain a reasonable balance between the good financial situation and the granting, payment and allocation of the variable remuneration component. In the event that the Company fails to maintain a good financial situation, instead of granting, paying or allocating a variable remuneration component, the net profit of the Company in that year and, as appropriate, in subsequent years, shall be used to strengthen its financial situation.
- 4.3.10 Remuneration of employees responsible for managing investments**
- a) Basic salary
 - b) Variable component
- 4.3.11 The variable component of the employees responsible for managing investments consists of:
- a) Annual remuneration up to 50% of the annual basic salary,
 - b) Extraordinary remuneration.
- 4.3.12 The criteria for determining the annual remuneration are set out in Annex No. 2. Since the annual remuneration is a way of evaluating the employees responsible for managing investments for the proper performance of tasks and does not have an incentive effect in terms of increasing the risk, the period of retention of this remuneration component is not applied after the end of the period under review.
- 4.3.13 The value of the extraordinary remuneration is linked to the portfolio investment performance and is calculated as 3% of the profit generated on the sale of the managed portfolio investment (i.e. 3% of the profit on the sale of the underlying asset of the fund after the capital costs have been included).
- 4.3.14 The extraordinary remuneration shall only be granted after the profit on the investment is generated (exit investment) and shall be paid out only if the current financial situation of the fund managed (the performance of expected revenues determined in the fund rules)

and of the Company (the Company liquidity) allows so. This mechanism falls under the remuneration scheme under par. 13, first indent, of the ESMA Guidelines.

4.3.15 The extraordinary remuneration represents a substantial part of the remuneration of employees responsible for managing investments compared to the basic salary and annual remuneration.

4.3.16 The Board of Directors shall decide on the granting of the variable component and its amount, in accordance with the purpose and principles of remuneration of the Company.

4.3.17 The Company undertakes to maintain a reasonable balance between the good financial situation and the granting, payment and allocation of the variable remuneration component. In the event that the Company fails to maintain a good financial situation, instead of granting, paying or allocating a variable remuneration component, the net profit of the Company in that year and, as appropriate, in subsequent years, shall be used to strengthen its financial situation.

4.3.18 Remuneration of employees under direct control of the Board of Directors

- a) Basic salary
- b) Variable component

4.3.19 For the purposes of applying prudential rules, the annual remuneration the amount of which should not, in the annual summation (in the period under review) exceed 50% of the annual basic salary depending on the performance of criteria (Annex No.4) shall be considered the variable component of remuneration of an employee under direct control of the Board of Directors. The annual remuneration represents the assessment of senior staff for the performance of their employment duties and does not have an incentive effect in terms of risk tolerance.

4.3.20 The Board of Directors is responsible for granting the variable component and its amount according to the purpose and principles of Company remuneration. If an employee under direct control of the Board of Directors Director is at the same time a member of the Board of Directors, the proposal for remuneration and its amount is submitted by the remaining members of the Board of Directors and the remuneration is subsequently approved by the Supervisory Board of the management company.

4.3.21 The Company undertakes to maintain a reasonable balance between the good financial situation and the granting, payment and allocation of the variable remuneration component. In the event that the Company fails to maintain a good financial situation, instead of granting, paying or allocating a variable remuneration component, the net profit

of the Company in that year and, as appropriate, in subsequent years, shall be used to strengthen its financial situation.

4.4 Remuneration of the Supervisory Board Members and Employees who are Responsible for the Compliance Function and Risk Management Function or Other Controlling Functions, Administrative Activities, Marketing or Distribution or for HR Management or Employees Performing such Functions

4.4.1 This Chapter regulates remuneration principles for employees who are responsible for the compliance function and risk management function or for another controlling function, administrative activities, marketing or distribution or for HR management or employees performing such functions.

4.4.2 The remuneration of senior employees in the Company's internal control functions is under the direct supervision of the Supervisory Board. Employees in internal control functions are remunerated only with basic salaries. Employees in the internal control functions of the Company shall have no right to the annual remuneration.

4.4.3 The principles for remuneration of the Supervisory Board:

- a) The members of the Supervisory Board are remunerated with the basic remuneration under the service agreement;
- b) The members of the Supervisory Board shall have no right to the annual remuneration.

5. Severance Pay

5.1 Severance pays and other payments provided in connection with early termination of an employment or similar relationship shall be granted and paid out solely on the basis of an employee's performance assessment achieved during the duration of the employment relationship or similar relationship. These payments may be reduced or unpaid if their payment would not be in line with the purpose and principles of remuneration of employees under this Guideline.

5.2 A right to the annual remuneration shall not arise for an employee whose employment relationship (or similar relationship) was terminated for reasons entitling the Company to terminate the employee's employment for the reasons stated in Article 63 of the Labour Code of the Slovak Republic from the moment when the Company takes a legal act aimed at such terminating the employment relationship.

5.3 The Company shall not pay out severance pays in the form of the so-called Golden Parachutes.

6. Sustainability

- 6.1 The Company views its remuneration principles to be consistent with the integration of sustainability risks. Indeed, there is no component of the Company's remuneration structure which is geared towards creating an incentive or bias towards excessive risk taking to the detriment of environmental, social or governance matters and/or sustainability generally ("ESG Factors"). Also, the Company's remuneration structure has been designed to: (i) align our incentives as manager with investors' long-term interests and the long-term success of the funds we manage; and (ii) to promote a sound and effective risk management culture to protect the value of our funds' portfolios, in both cases, without any incentive or bias towards risk taking which could have a material impact on ESG Factors.

7. Final Provisions

- 7.1 The Company calls on employees with a significant influence on the Company's risk profile not to apply insurance or other reinsurance strategies associated with their remuneration or liability that could limit the effects of the risk-based elements of the remuneration policy (this call does not apply to securing private payments, such as insurance for inability to repay a mortgage credit).
- 7.2 The remuneration of employees who have a significant influence on the Company's overall risk profile, is subject to supervision by the Supervisory Board. The Supervisory Board also gives the statutory body a recommendation on the amount and structure of their variable wage component (this entitlement also covers the fixed component of their remuneration).
- 7.3 This regulation cancels and supersedes regulation No. VS19 Remuneration Principles dated 01.12.2014 to the full extent.
- 7.4 This regulation becomes valid and effective on 01.03.2021.

In Bratislava, on 01.03.2021

Mgr. Martin Fedor

Chairman of the Board of Directors

Sandberg Capital, správ. spol, a.s.

Annex No.1 - Procedure for determining the annual remuneration (Admin. and Operation Unit)

Objective	Performance criteria	Weight
Individual objectives of an employee	Functional objectives according to key activities of individual units Reporting for a given work area as required by the superior Cooperation on developing internal corporate documents and their implementation	70%
Evaluation of employee competences	Personal development Mentoring	30%

Annex No. 2 - Procedure for determining the annual remuneration (Employees responsible for

Objective	Performance criteria	Weight
Individual objectives of an employee	Development of macroeconomic analyses Identification, monitoring and regular presentation of investment opportunities Performing analyses of the economic advantage of investment opportunities Reporting for a given work area as required by the superior Cooperation on developing internal corporate documents and their implementation into practice	70%
Evaluation of employee competences	Personal development (training and education in the field of valuation and investments) Knowledge management Mentoring	30%

investment management)

Annex No. 3 - Procedure for determining the annual remuneration (the Managing Director)

Objective	Performance criteria	Weight
Individual objectives	Results of an audit without verdict Fulfilment of legislative and other regulatory conditions of the Company's operation Compliance with the fund's risk profile	100%

Annex No. 4 - Procedure for determining the annual remuneration (Employees under direct control of the Board of Directors)

Objective	Performance criteria	Weight
Individual objectives	Performance of tasks according to legislative and other regulatory conditions for a given work area Cooperation on developing internal corporate documents and their implementation	70%
Evaluation of competences	Personal development Mentoring Knowledge Management	30%