

REMUNERATION POLICY

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I. Remuneration policy

ENTER TO EFFECT LAST VERSION	20/03/2024
Approved By Remuneration Committee	06/02/2024
Approved By FARAD I.M. Board of Directors	20/03/2024
Line Managers or departments involved	ALL
Legal requirements	<p>In preparing this procedure, FARAD Investment Management S.A. (hereinafter "FARAD I.M.") has endeavoured to align its procedures with the relevant legal requirements and current best practice and it complies with the relevant remuneration principles in a way and to an extent that is appropriate to its size, internal organisation, and the nature, scope and complexity of its activities. FARAD I.M. has duly factored the continuous growth of assets under management, the number and types of managed funds and number of employees and other parties (delegates etc.) for the preparation of this procedure.</p> <p>In particular, this procedure is designed to satisfy the requirements of:</p> <ul style="list-style-type: none"> - CSSF Circular 10/437; - CSSF Circular 22/797 - CEBS Guidelines on Remuneration Policies and Practices, dated December 10, 2010; - EU Commission Recommendation 2009/384/EC of 30 April 2009 on the remuneration policies in the financial sector; - EBA Guidelines on sound remuneration policies (EBA/GL/2015/22); - UCITS V Directive: Directive 2014/91/EU (amending 2009/65/EU - Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID Directive); - Regulation (EU) 2019/2088 of the European Parliament Council of 27 November and of the C2019 (SFDR) - CSSF Circular 23/841

<p>Aim and application</p>	<p>Promoting sound and effective risk management and not inducing excessive risk-taking, in line with the Company's strategy, objectives, tolerated risk values and long term interests (in particular a sustainable growth prospects and protection of clients and investors). Remuneration policy is aligned with the company's ESG objectives, e.g. long-term resilience of the business strategy under ESG considerations and risk appetite to avoid conflicts of interest when business decisions are taken.</p> <p>Therefore, the variable remuneration can in no way limit the Company's financial basis and solidity.</p> <p>Remuneration policies and practices are applicable to all staff.</p>
<p>Accessibility</p>	<p>In accordance with the legal requirements, the procedure is available:</p> <p>To employees: paper and digital copy of the whole procedure is accessible to all employees at the registered office of FARAD I.M..</p> <p>To everybody: abstract on the website of FARAD I.M. and available at the registered office of the FARAD I.M..</p>
<p>Updating / Review</p>	<p>At least annually, and in the following cases:</p> <ul style="list-style-type: none"> - Change of applicable legislation; - Any new legal requirement; - Any other change that would have an impact on the procedure.
<p>Communication to the CSSF</p>	<p>Upon request of the CSSF</p>

II. Definitions

Accrual period: (period during which the performance of the staff member is assessed and measured for the purposes of determining its remuneration).

Claw back: contractual agreement in which the staff member agrees to return ownership of an amount of remuneration to FARAD I.M. under certain circumstances. This can be applied to both upfront and deferred variable remuneration. When related to risk outcomes, claw back is a form of ex-post risk adjustment.

Control Functions: staff (other than Senior Management) responsible for risk management, compliance and internal audit.

Deferral Period: the period during which a part of the variable remuneration is withheld following the end of the accrual period.

Fixed Remuneration: salary, lunch vouchers, health insurance, pension fund (according to the applicable terms and conditions), car Leasing. Restrictions are set in Annex I.

Identified Staff: the categories of personnel whose professional activities are likely to have an impact on the company's risk profile.

Instruments: shares or equivalent ownership interests, subject to the legal structure of the institution concerned or share-linked instruments or equivalent non-cash instruments, in the case of a non-listed institution".

Malus: arrangement that permits FARAD I.M. to prevent vesting of all or part of the amount of a deferred remuneration award in relation to risk outcomes or performances of FARAD I.M. as a whole, the business unit, the AIF or UCITS and, where possible, the staff member. Malus is a form of ex-post risk adjustment.

Management Body: the governing body of FARAD I.M., meaning the Board of Directors of FARAD I.M.

Material impact (or "Materiality Influence"): a significant and ongoing adverse financial or operational impact that is of sufficient magnitude.

Quantitative Criteria: primarily numeric or financial data that is used to determine the remuneration of a relevant person (e.g. value of instruments sold, sales volumes, establishment of targets for sales or new clients, etc.).

Qualitative criteria: primarily criteria other than quantitative criteria. It also refers to numeric or financial data used to assess the quality of the relevant person's performance and/or service to the client e.g. return on the client's investment, very low number of complaints over a large timescale, etc.

Remuneration Committee: the entity is responsible to determine the fixed and variable remuneration of the Staff and of the Conducting Officers (CEO excluded).

Risk Takers: employees having a material impact on the institution's risk profile if they meet one or more of the following criteria¹:

Standard qualitative criteria: related to the role and decision-making power of staff members (e.g. staff is a member of a *Management Body*, is a *Senior Manager*, has the authority to commit significantly to credit risk exposures, etc.).

Standard quantitative criteria: related to the level of total gross remuneration in absolute or in relative terms. In this respect, staff should be identified if:

- their total remuneration exceeds, in absolute terms, EUR 500.000,00 per year; or;

¹ Definition has been provided following the Regulatory Technical Standards as endorsed by the European Commission.

- they are included in the 0.3 % of staff with the highest remuneration in the institution; or
- their remuneration is equal or greater than the lowest total remuneration of *Senior Management* and other *Risk Takers*.

Retention Period: period of time during which variable remuneration that has been already vested and paid out in the form of instruments cannot be sold.

Senior Management (or “Senior Managers”): the CEO & the Conducting Officers of FARAD I.M.

Supervisory Function: the relevant persons (body or bodies) responsible for the supervision of the Senior Management and for the assessment and periodical review of the adequacy and effectiveness of the risk management process and of the policies, arrangements and procedures put in place to comply with the regulatory obligations. Given the size of FARAD I.M., the supervisory function is fulfilled by the Management Body.

Variable Remuneration: payments not included in the fixed remuneration such as bonuses, incentive plans etc.

III. Purpose, scope and objectives of the policy

This Remuneration Policy states the basis and principles for remuneration applicable to FARAD I.M. employees. It relies on the provisions of both the Grand-Duchy of Luxembourg’s regulatory requirements relating to remuneration and good corporate governance.

The remuneration policy aims at aligning the personal objectives of staff members with the long-term interests of the company and with that of clients

Remuneration consists of all forms of payments or benefits granted by FARAD I.M. to Board members and employees.

Employees’ total remuneration package is determined on the basis of the role and position of the individual employee, his/her professional experience, seniority, education, responsibility, job complexity. The evolution of the total remuneration of employees relies on the same elements and on the results of FARAD I.M. and the employee’s individual performance.

FARAD I.M. has adopted a strategy and policy of diversity and inclusion.

FARAD I.M. points out the identified staff, according to this Policy and any other guidance or criteria provided by competent authorities.

FARAD I.M. is able to demonstrate to competent authorities how they have assessed and selected identified staff.

When assessing the materiality of influence on FARAD I.M.’s risk profile or on an asset that it manages, FARAD I.M. defines what constitutes materiality within the context of assets it manages. The materiality thresholds are those foreseen by legal and regulatory requirements.

FARAD I.M. follows certain criteria to check whether it is capturing the correct staff members including an assessment of staff members or a group, whose activities could potentially have a significant impact on FARAD I.M.’s results and/or balance sheet and/or on the performance of the portfolios/assets it manages.

FARAD I.M. performs an analysis of job functions and responsibilities in order to manage the company risk profile.

FARAD I.M. ensures that this Policy is in line with its business strategy, objectives, values and interests of FARAD I.M. and the assets it manages or the investors of assets, and includes measures to avoid conflicts of interest.

The Management Body is responsible for approving and maintaining this Policy, and overseeing its implementation. Members of the Board who are part of the executive management are excluded from this Board role.

The Management Body has also the responsibility for ensuring that the ultimate goal of having sound and prudent remuneration policies and structures is not improperly circumvented.

The following elements are taken into account by the Management Body: the clear distinction between operating and control functions, the safeguards for preventing conflicts of interests and the internal reporting system and the related parties' transactions rules.

3.1. Diversity and inclusion

In line with art. 4 of By Laws FARAD I.M. is constantly committed to promoting an inclusive work environment and does not discriminate against employees or applicants on the basis of race, color, religion, gender identity, sex, preferences or gender identity, possible maternity, national origin, ancestry, citizenship, marital status, physical disability, medical condition, military status or any other feature protected by laws or the European Court of Human Rights.

The Company is also committed to applying the best standards in terms of governance, which consists of doing so in a transparent, independent and ethical manner.

The remuneration of individuals is set with no regard to gender, race, ethnic origin, political views, sexual orientation, age or other discriminatory factors.

FARAD I.M. has implemented numerous initiatives to achieve its ambitions within diversity and equal pay and remains vigilant in order to ensure that FARAD I.M. lives up to the set strategy and targets.

3.2. Risk management

FARAD I.M. promotes sound and effective risk management.

FARAD I.M. does not encourage risk-taking, which is inconsistent with the risk profiles of the instruments it manages.

FARAD I.M. encourages the achievement of sound and effective long-term risk management objectives including the applicable rules on sustainability risks (ESG risks). In depth, the strategy includes quantified risk tolerance levels with a multi-year horizon.

FARAD I.M. has a proper balance between variable and fixed remuneration, based on the measurement of performance.

FARAD I.M. aligns its remuneration policy with its interests and the interests of the assets managed and their investors.

In order to prevent excessive risk-taking, managers consider conservative valuation policies and do not ignore concentration risks and risk factors, such as liquidity risk and concentration risk that could place the assets, insurance policies, portfolios and funds that FARAD I.M. manages under stress at some point in the future.

FARAD I.M. ensures that its control functions have put in place a periodic monitoring in order to mitigate and manage conflicts of interest deriving from short-term-oriented excessive ESG-related risk-taking, including greenwashing or miss selling of products.

IV. Beneficiaries

4.1. Board members

Board members are the company's administrators sitting into the Board of Directors.

The non-executive members of the Board of Directors receive a fixed fee only that is fixed by the Shareholders meeting.

The executive members of the Board of Directors do not receive a remuneration for their role as members of the Board of Directors.

4.2. Conducting Officers & CEO

Conducting Officers are the company's directors approved by the CSSF responsible of the day-to-day activities. The board of directors shall fix the remuneration of the members of the administrative and management bodies of the company in line with market standards and practices. Fixed Remuneration for Conducting Officers is calculated in a sound way, taking also into account the business of FARAD I.M. as well as the competencies, risks and responsibilities taken by each of the Conducting Officers. The fixed and variable remuneration of the Conducting Officers is practically proposed by the Remuneration Committee exceptionally composed by the HR Officer and the Chief Executive Officer.

The fixed and variable remuneration for the Chief Executive Officer (whenever he or she is Conducting Officer or not) is determined by the Board of Directors.

4.3. Control functions

FARAD I.M.'s employees engaged in control functions are qualified and experienced personnel and they are compensated according to the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

If staff in control functions receives variable remuneration, this is not determined solely by the FARAD I.M. - wide performance criteria but is based on function-specific objectives. In addition, the variable part of the remuneration is not linked to quantitative commercial performance of relevant persons whose remuneration they are in charge of designing and/or controlling.

The remuneration structure of control functions personnel does not compromise their independence or creates conflicts of interest in their advisory role to the Management Body. If remuneration of the control functions includes a component based on FARAD I.M. wide performance criteria, the risk of conflicts of interest increases and, it will be properly addressed.

Control functions should not be placed in a position where they are directly linked to an increase or decrease in their performance-based remuneration.

4.4. Identified staff

The following categories of staff, unless it is demonstrated that they have no material impact on the FARAD I.M.'s risk profile or on assets it manages should be included as the Identified Staff:

- Executive and non-executive members of the Management Body of FARAD I.M.;
- All members of the Senior Management of FARAD I.M., such as the Conducting Officers;
- Control Functions;
- Risk Takers;
- Other *Risk Takers* such as any employee receiving total remuneration in the bracket of Senior Managers and Risk Takers (if applicable), whose activities have a material impact on the investment fund's risk profile as managed by FARAD I.M..

The remuneration of Identified Staff is decided either by the shareholder for the Management Body and by the Remuneration Committee for the other ones.

4.5. Staff

The remuneration of all other employees not included in the previous categories is determined by the Remuneration Committee.

4.6. Remuneration Committee

The Remuneration Committee is appointed by the Management Body, and is composed by FARAD I.M. Conducting Officers, the Chief Executive Officer and an HR Officer (upon invitation).

When discussing the remuneration of FARAD I.M. Conducting Officers, the Remuneration Committee is exceptionally composed by the HR Officer and the Chief Executive Officer.

The Committee gathers annually or ad hoc, but could decide to organize a meeting in extraordinary situations. The Remuneration Committee assists FARAD I.M. Management Body and reports directly to it.

FARAD I.M. Remuneration Committee:

- a) provides its support and advice to the Management Body on the design of FARAD I.M.'s remuneration policy
- b) supports the Management Body in overseeing the remuneration policies, practices and processes and the compliance with the remuneration policy
- c) checks whether the existing remuneration policy is still up to date and, if necessary, make proposals for changes
- d) ensures the adequacy of the information provided to shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration
- e) assess the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with

the business strategy, objectives, corporate culture and values and the long-term interest of the institution

- f) allocates salary increases and individual bonuses for all employees except for the Chief Executive Officer and the Management Body following the rules illustrated in paragraph 5.3
- g) assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and claw back arrangements

Furthermore, FARAD I.M. Remuneration Committee has access to all data and information concerning the decision-making process of the Management Body on the remuneration policies and practices design and implementation, oversight and review.

V. Rules regarding remuneration

5.1. Fixed compensation

Fixed compensation affects the FARAD I.M.'s financial stability. Therefore, a prudent setting of salary level is crucial. The FARAD I.M.'s fixed salaries shall amount to a sufficient portion of total compensation to ensure that the employees are not dependent on variable compensation.

Changes in salaries and setting of salaries when hiring people shall be based on facts, such as market data.

Fixed compensation is composed by the fixed salary and potential other advantages such as lunch voucher, complementary pension scheme, car leasing, health complementary insurance.

Fixed Remuneration is in line with the level of education, the degree of seniority, the level of expertise and skills required, the constraints and job experience, the relevant business sector and region.

Salary increase may be granted on the basis of the assessment of the performance of the individual, and of the department concerned and of FARAD I.M. and in consideration of:

- a. Financial performance of the company
- b. Compliance of the employee with internal procedures and needs
- c. The achievement of the predefined goals and objectives as agreed between the management and the employee

Fixed remuneration is reviewed annually at the beginning of the year after the appraisal process completion. It is not guaranteed that each and every year the employee has the right to salary increase. The increase is applicable from February salary.

In case of substantial role and responsibility changes, exceptionally salary increases could be granted during the year.

5.1.1. Car Policy

The company recognizes that we have an important role to play in the protection of the environment and sensible resource management.

Consequently, sustainability runs through all aspects of our business, starting with energy saving policies in our offices, and flowing to encourage to use the public transport and bicycles.

This advantage is reserved to Directors and Senior Managers

The car CO2 emissions must stay below 110g/km, and choose between Hybrid, Electric or Diesel cars, in classic colors.

It is forbidden to have “Cabrio” and sports models or flashy colors.

5.2. Variable compensation

Variable compensation systems is designed to create financial stability and value for the FARAD I.M. Variable compensation is furthermore an important tool in order to ensure that remuneration packages offered to employees are in line with conditions on the market and to make it possible to differentiate compensation between employees based on performance.

Employees who have joined the company less than 6 months before the end of the fiscal year will not be considered for any bonus.

Employees who joined the company during the reference bonus year between January and the end of June are entitled to receive a pro-rated bonus.

Variable compensation is composed by bonus payment and eventually other one-off payments.

Bonuses, which in relation to their value and associated risk, are indicated as “material” shall be reserved to the management and in order to take into account the outstanding risks associated with the performance to which they relate, a part of Material Bonuses should be deferred in compliance with the indications of annex 1.

Variable compensation is always a discretionary option for Remuneration Committee.

The regular and constant payment of a bonus, notwithstanding the number of years during which such bonus was granted, cannot create a vested right in favor of the Employee, neither for years to come nor for the calculation of any indemnity due to the Employee.

FARAD I.M remuneration policy includes a performance-related remuneration and the total amount of remuneration is based on a combination of the assessment of the performance of the individual, department and FARAD I.M.’s overall results. FARAD I.M. defines appropriate criteria to align the interest of the relevant employees and of the firm with that of the clients.

The company reserves the right, depending on the employee's specifications, to use different payment method, in line with the Luxembourg law (e.g. Contribution in loan interest).

FARAD I.M. ensures that variable remuneration is not paid through vehicles or methods employed which aim at or effectively lead to non-compliance with remuneration requirements for identified staff or, where applicable, for all staff. In addition, FARAD I.M. withholds Bonuses entirely or partly in case, prior to the payment of the Bonuses, FARAD I.M.’s situation deteriorates significantly (in particular where it can no longer be presumed that it can or will continue to be able to carry out its business).

The Management Body is able to require staff members to repay all or part of the Bonuses, including Material Bonuses, that have been awarded for performance based on data, which was subsequently proven to be fraudulent and/or not compliant with the objective settings and company rules or policies or if a case of misconduct appears.

Variable Remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount (material bonus), a part of it should be deferred.

The amount of the deferred part of the bonus shall be determined in relation to the total amount of the bonus as compared to the total amount of the remuneration.

Variable compensation linked to the launch of new products is assessed in order to be in line with the remuneration policies and practices and the risks that these products or services may pose.

In particular, before launching a new product, FARAD I.M. will assess whether the remuneration features related to the distribution of that product comply with the firm's remuneration policies and practices and therefore do not pose conduct of business and conflicts of interest risks. This process is documented in the "New product or service approval sheet".

Variable compensation is decided annually after the appraisal process completion and the approval of the Financial Accounts of the previous year. The variable compensation is paid with the remuneration following the approval of the financial accounts by the shareholder meeting.

Variable compensation total amount is proposed by the Remuneration Committee and deliberated by the Board of Directors.

Variable compensation is integrated in the Financial Accounts of the previous year as "provision" and impacts the net result of the company..

All variable components of remuneration, including cash bonus payments, are conditioned to FARAD I.M.'s net result after-tax being positive after payment of Bonuses and will be compliant with the rules and limitation adopted by the Remuneration Committee (in particular in terms of maximum amount, deferral and Deferral Period and nature).

Under exceptional circumstances, once until the net result becomes positive and cover the payment and for a limited amount, the Board of Directors can authorize to pay bonuses if the operational performance of the company, measured by the EBITDA is positive but the net result after-tax is negative due to exceptional costs.

This exceptional measure is conceivable in certain circumstances to retain key staff.

In any case this exceptional measure can be applied only if the Board of Directors has evidence that the measure will not impact the overall financial solidity of FARAD I.M.

Specific detailed criteria of variable remuneration are illustrated in Annex 1.

Variable compensation individual amounts are allocated by Remuneration Committee based on the relevant appraisal evaluations following the criteria described in paragraph 5.4.

In any case, the variable remuneration is limited to a maximum amount that has been set by the Management Body as requested by CSSF Circular 10/437. The maximum amounts are defined in Annex 1 of this policy.

5.2.1. Guaranteed variable remuneration

FARAD I.M. does not award, pay or provide guaranteed variable remuneration unless it:

- is exceptional
- occurs only in the context of hiring new staff
- is limited to the first year of service

5.3. Performance assessment

Performance assessment is performed to review both fixed and variable compensation and it is set in a multi-year framework (three to five years) in order to ensure that the assessment process is based on longer-term performance and that the actual payment of performance-related components of remuneration is spread over the business cycle of FARAD I.M.. Performance targets are set in order to avoid employees adopt behaviors focused on “short-term” gains.

It is based on performance, but also financial and non-financial criteria are taken into account.

Performance-related remuneration includes parameters linked to the risks and performance of the FARAD I.M.'s business unit in addition to the risks and performance of the individual activities.

To have the greatest impact on staff behavior, the variables used to measure risk and performance are linked as closely as possible to the level of the decisions made by the staff member that is subject to the risk adjustment. Performance criteria include achievable objectives and measures on which the staff member has some direct influence.

FARAD I.M. can assess the Identified staff's performance with specific indicators such as the effective employment of available resources, achievement of agreed objectives, contribution to company goals and values. The performance of the individual staff members must be assessed based on the specific circumstances of their employer, such as industry, branch, geographic, etc.

FARAD I.M. uses both quantitative as well as qualitative criteria in order to assess individual performance.

Quantitative measures covers a period which is long enough to properly capture the risk of the staff member's actions. Quantitative measures are set up in order to not create conflicts of interests.

The appropriate mix of quantitative and qualitative criteria, specified and clearly documented for each level and category of staff, depends on the tasks and responsibilities of the staff member.

In addition to quantitative performance measures, variable remuneration awards are also sensitive to the staff's performance with respect to qualitative (non-financial) measures. Examples are the achievement of strategic targets, investor satisfaction, adherence to risk management policy, compliance with internal and external rules, leadership, management, teamwork, creativity, motivation and cooperation with other business units and with Control Functions. FARAD I.M. defines clearly the qualitative criteria within the settings of the individual objectives for the year.

Negative non-financial performance, in particular unethical or non-compliant behavior, overrides any good financial performance generated by a staff member and diminishes the staff member's variable remuneration.

In determining remuneration pools or individual awards, FARAD I.M. considers the full range of current and potential risks associated with the activities undertaken. Moreover, ex-ante adjustments is applied to ensure that the variable remuneration is fully aligned with the risks undertaken. FARAD I.M. establishes whether the risk adjustment criteria they are using takes into consideration severe risks or stressed conditions.

FARAD I.M. determines to what level they are able to risk adjust their variable remuneration calculations quantitatively

The quantitative ex-ante risk adjustments rely on existing measures within the FARAD I.M., generally used for other risk management purposes. The risk adjustments used benefit from the experience gained when dealing with these risks in other contexts and should be challenged like any other component of the risk management process.

Qualitative risk elements are considered by FARAD I.M.. Qualitative ex-ante adjustments could take place while setting unit remuneration pools or when determining or allocating individuals' remuneration .

5.4. Ratios between fixed and variable components of total remuneration

The fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components including that variable remuneration can go down to zero.

5.5 Payments related to early termination

FARAD I.M.'s payments related to the early termination of a contract (for staff members who are leaving FARAD I.M. due to changes in the strategy of FARAD I.M. or in the financial assets it manages, or in merger and/or takeover situations) reflect performance achieved over time and do not reward failure.

Severance pay is determined and approved, in line with the FARAD I.M.'s general governance structures for employment.

FARAD I.M. shall explain to competent authorities the criteria used to determine the amount of severance pay, upon request.

VI. Reporting, monitoring and control

6.1. Reporting

Without prejudice to the overall responsibility of the board of directors, the implementation of the remuneration policy shall be subject, at least on an annual basis, to central and independent internal review by control functions for compliance with policies and procedures defined by the board of directors. The control functions shall report on the outcome of this review to the board of directors. A copy of said reports shall be put at the disposal of the CSSF.

6.2. Monitoring and control

In the context of the supervisory review process, CSSF assesses the risks FARAD I.M. is or may be exposed to, including the risks associated with the Remuneration Policy (and practices), examining to what extent internal processes as well as internal and prudential own funds ensure an adequate management and coverage of these risks.

The statutory auditor shall make a report to the Board of Directors of FARAD I.M. of any material deficiencies uncovered during the assessment of the implementation of the remuneration policy.

VII. Information

7.1. Disclosure of information on remuneration

This Policy is available to all employees, as the Policy is part of the manual of procedures.

This Policy has been made on a best efforts basis and to the extent possible, explaining every omission made.

Without prejudice to confidentiality and data protection provisions, details and relevant information on this Policy will be disclosed (in the form of an independent remuneration policy statement) in the website of FARAD I.M., in particular on:

- a. The decision-making process used for determining the remuneration policy;
- b. The link between pay and performance;
- c. Criteria used for performance measurement and risk adjustment;
- d. Performance criteria on which the entitlement to shares, options or variable components of the remuneration is based;
- e. The main parameters and rationale for any annual bonus scheme and any other non-cash benefits.

VIII. Update and approval

This Remuneration Policy shall be reviewed by Remuneration Committee and approved by the Board annually and every time deemed necessary in respect of regulatory changes, market changes or changes within the FARAD I.M.

The Management Body remains responsible for the actual implementation and oversight of any changes to the remuneration policies and practices.

The implementation of this Policy shall be reviewed on an annual basis by the Management Body that assess whether the overall remuneration system is compliant with national and international regulations, principles and standards, it also ensures that all agreed plans/programs are being covered; it also ensures that the remuneration payouts are appropriate, and that the risk profile, long-term objectives and goals of FARAD I.M. are adequately reflected.

Where periodic reviews reveal that the remuneration system does not operate as intended or prescribed the Management Body puts in place a timely remedial plan.

The periodic review of the implementation of the remuneration policies and practices may be, partially or totally, externally commissioned. FARAD I.M. may decide to outsource the entire review, by performing the review at least annually or carrying out at least annually an internal assessment not amounting to a full independent review.