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Corporate Policy

# Remuneration

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MOVENTUM 

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## 1. INTRODUCTION

### 1.1 CONTEXT, PURPOSE AND SCOPE OF APPLICATION

This Remuneration Policy, hereafter “the Policy”, defines and describes the remuneration principles and practices set out by Moventum Group, in particular but not limited to Moventum SCA, Moventum Asset Management SA and Profund SARL incl. any branches and subsidiaries of the same hereinafter referred to as the “Moventum Group” or “Moventum”. Exceptions to the standard procedures will be detailed in specific appendices, which are designed to address unique circumstances while maintaining compliance with relevant laws and guidelines.

The general principles and provisions set out by the Policy shall prevail on all existing principles and rules set by other documents and apply to all employees of the Moventum Group.

The Policy is approved by the Board of Directors (hereafter “BoD”) and becomes effective immediately as from its approval. The general provisions of the Policy apply and are made available to all employees of Moventum.

### 1.2 GENERAL PRINCIPLES

The Policy’s conducting principles reflect Moventum’s business strategy, objectives, values, and interests. They are based on the following pillars:

- **Sound and effective risk management**

The Policy and related practices aim at protecting the interests of Moventum’s clients, employees, and shareholders as well as Moventum’s financial sustainability in a long-term perspective. In this context, Moventum has established, implemented, and maintains a Policy which is consistent with and promotes sound and effective risk management and which does not induce excessive risk-taking (including sustainability risks).

- **Avoidance of conflicts of interest**

The Policy incorporates measures to avoid conflicts of interests, as set out by Moventum’s Code of Ethics and Conflict of Interest Policy.

- **Competitive and attractive remuneration**

To ensure that client satisfaction and protection remain at the heart of its philosophy, Moventum wishes to attract, retain and motivate highly qualified professionals in their respective domains. In this light, Moventum aims to offer remuneration packages that, while in line with market practices, do remain competitive and attractive.

- **Alignment between performance and remuneration**

Variable remuneration methods are linked to effective performance and are subject to strict assessment rules that aim to prevent excessive risk-taking, the ultimate objective being to protect the long-term interests of the different stakeholders. In this context, Moventum does not reward failure.

- **Gender neutrality**

According to the EBA Guidelines EBA/GL/2021/04, Moventum ensures that all aspects of this Policy are gender-neutral and based on equal pay for male and female workers for equal work or work of equal value.

- **Compliance with the regulatory requirements on remuneration policies and practices in the financial sector**

This Policy complies with the various regulatory texts issued by the European and Luxembourg authorities:

- Law of 5 April 1993 on the Financial Sector as amended by the law of 23 July 2015 (hereinafter “the Law”);
- CRD V EU Directive 2019/878 of 20 May 2019 amending Directive 2013/36/EU;
- EU Regulation N°575/2013 on disclosure requirements (June 26, 2013);
- Circular CSSF 14/585 transposing the European Securities Markets Authority's (ESMA) on remuneration policies and practices (MiFID) - Addition of Annex V to Circular CSSF 07/307 (February 25, 2014);
- Circular CSSF 22/797 on the application of the Guidelines of the European Banking Authority on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) 2) Repeal of Circulars CSSF 17/658 and 11/505
- Circular CSSF 15/622 on higher ratio notification procedure applicable to remuneration policy according to Article 94(1)(g)(ii) of Directive 2013/36/EU (“CRD IV”) following its transposition into Luxembourg law via Article 19(7°)(g) of the law of 23 July 2015 (the “Law”)
- Commission Delegated Regulation EU 2021/923 on the identification of categories of staff whose professional activities have a material impact on an institution's risk profile (March 25, 2021).
- Circular CSSF 14/594 relating to the transposition of the EBA guidelines on the applicable national discount rate for variable remuneration (October 30, 2014);
- MIFID II Directive 2014/65/EU on Markets in Financial Instruments (MiFID II)
- EU Regulation n. 2019/2088, regarding appropriate information on how such policy is consistent with the integration of sustainability risks.
- The Treaty on the Functioning of the European Union (TFEU) regarding gender neutrality.
- CRD V EU Directive 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU

## 2. RISK ANALYSIS AND DEFINITION OF THE IDENTIFIED STAFF

### 2.1 APPROACH

To establish Moventum's risk profile and, ultimately, to determine its Identified Staff, Moventum performed a review of its activities and analysed a certain number of elements related to the entity's size, internal organization, risk profile, nature, scope and complexity of activities, etc.

This risk analysis has been carried out by Moventum's Executive Management (hereafter “EM”), with the support of Moventum's control functions, in accordance with the regulatory requirements. This analysis has also been reviewed by the BoD.



More precisely, the list of Identified Staff has been determined according to the analysis of the following dimensions:

- Moventum's profile (structure, organization, activities)
- Risks related to Moventum's activities and related safeguards
- Employees' profiles (based on qualitative and quantitative criteria as defined by the Commission Delegated Regulation EU 2021/923).

## 2.2 MOVENTUM'S ORGANIZATION AND ACTIVITIES

As an independent financial service partner, Moventum has been providing a home for financial service providers such as advisors and asset managers as well as institutional clients from all over the world for more than 20 years. The digital "MoventumOffice" platform offers access to more than 10,000 funds, ETFs and other securities. In addition, it allows financial advisors to open security accounts for their clients, to place trading orders and to use analysis, reporting and support tools. Institutional clients can outsource their entire fund trading with complementary services to Moventum as part of collective or individual custody account management. A variety of fund services are assumed for asset managers, ranging from registrar and transfer agent services to fund accounting, company administration and domiciliation services. Moventum's governance shall ensure that Moventum has sound arrangements to comply with all applicable regulations in general and especially with the more specific regulations for investment firms, such as in particular anti-money laundering and anti-terrorist financing as well as MiFID rules.

Moventum Asset Management S.A. is a wholly owned subsidiary of Moventum. Since 2019 Moventum Asset Management S.A. manages Moventum's own funds of funds and individual mandates as part of its asset management portfolios. Moventum will ensure that all these activities are properly organized and formally separated, if necessary, to provide the best services to customers and avoid any potential conflict of interest.

### Moventum is currently organized as follows:

Moventum has set up an internal governance structure based on the "three-lines-of-defense" model: The first "line-of-defense" is the appropriate organization of the business units' activities. Moventum ensures that it has in place effective processes to identify, measure, assess, monitor, mitigate and report on the risks assumed by Moventum.

Moventum has also developed a thorough Internal Control framework, widely known as a second "line-of-defense", to ensure effective and efficient operations, adequate control of risks (including sustainability risks), prudent conduct of business, reliability of financial information and compliance with laws and regulations.

There is also a proper segregation of duties between the Business and the Risk Management departments, with separate lines of reporting and accountability.

Finally, the Internal Audit function, which provides an independent review and a critical valuation of the previous two lines, will be the third "line-of-defense".



In assessing the effectiveness of Internal Control within Moventum, the BoD shall be able to rely on the work of the Internal Control functions, namely Risk Management, Compliance and Internal Audit.

It is also worth mentioning that Moventum Group's Control framework must comply with the specific regulatory requirements of each jurisdiction. In this respect, Moventum shall comply with the CSSF rules, which require institutions to have a robust central administration in Luxembourg. This comprises the management, execution, and control functions. These functions should enable the institution to manage and control all its activities.

## 2.3 RISKS RELATED TO MOVENTUM'S ACTIVITIES AND RELATED SAFEGUARDS

Moventum aims to maintain its current strong levels of solvency and prudent approach to risk. Consequently, Moventum wants to align the risks incurred with the long-term strategy and objectives of Moventum. To achieve these aims Moventum is promoting an internal risk and control culture and has developed prudent risk policies valid for all subsidiaries and branches.

Moventum also acknowledges that risk management is not exclusive of the risk specialists or control functions. Business units, under the oversight of the management structure, are also responsible for managing risks daily and should take into account Moventum's risk tolerance defined within its policies, procedures and controls.

The risk management set up should enable Moventum to have enough quality information to make sound risk decisions. Risks must be assessed both individually and on an aggregate or portfolio basis. To avoid unexpected losses, Moventum will perform stress test scenarios to measure potential risk exposures in unlikely but possible future developments. Moventum's activities are subject to the Risk Policy approved by the BoD. Risk exposures and their performance have to be elevated and reported to the BoD on a regular basis and at least quarterly.

Finally, in accordance with the Sustainable Finance Disclosure Regulation EU 2019/2088 (SFDR), Moventum regularly assesses its Remuneration Policy to be in line with its policy on the integration of sustainability risks in investment decisions outlined in its Sustainability Risk Policy.

The current exposure to those risks has been assessed as not material and is deemed not to have any impact on the financial return of the investment. As such, there is no impact on the Policy. However, Moventum will continue to monitor sustainability risks and if its position should change, it will review and plan to implement necessary changes to its Policy.

## 2.4 IDENTIFIED STAFF

Moventum periodically performs a detailed assessment in order to identify its employees whose professional activities have a material impact on Moventum's risk profile, referred to as the "Identified Staff" (hereafter "IS").

This assessment of the IS is performed by the EM and the Human resource's function, in collaboration

with the Management Team, incl. Risk and Compliance function, with the final oversight of the BoD. The BoD has the ultimate responsibility for the identification process. The BoD in its supervisory function should:

- Approve the assessment of IS;
- Be involved in the design of the assessment;
- Ensure that the assessment for the identification of IS is properly made in accordance with Directive EU 2019/878, Commission Delegated Regulation (EU) No 2021/923 and these guidelines;
- Oversee the identification process on an ongoing basis;
- Approve any material exemptions from or changes to the adopted Policy and carefully consider and monitor their effect;
- Approve or oversee any exclusion of staff in accordance with Article 6(2) of Commission Delegated Regulation (EU) No 2021/923 where the institutions deem that the qualitative criteria defined in Commission Delegated Regulation (EU) No 2021/923 are not met by the staff, as they in fact do not have a material impact on the institutions' risk profile;
- Periodically review the approved Policy and, if needed, amend it.

The IS are identified following the criteria of Regulation (EU) 2021/923 in article 5 (qualitative criteria). The assessment is done at each hiring of executive staff and submitted to the BoD.

Employees that fall or are likely to fall under Article 92(3), points (a), (b) and (c) of Directive 2013/36 EU or under the criteria of Article 5 of the RTS on IS for a period of at least three months in a financial year are considered as IS.

The IS are identified following the criteria of Regulation (EU) 2021/923 in article 6 (quantitative criteria). The assessment is done once a year.

## 2.5 RELEVANT PERSONS

In addition, as per Circular CSSF 14/585 transposing the European Securities Markets Authority's (ESMA) guidelines on remuneration policies and practices (MiFID), Moventum has identified the list of the so-called Relevant Persons, i.e. "persons who can have a significant influence on the service provided or corporate behaviour of the firm, including persons who are client-facing front-office staff, sales force staff, and/or other staff indirectly involved in the provision of investment and/or ancillary services whose remuneration may create inappropriate incentives to act against the best interests of their clients. This includes persons who oversee the sales force (such as line managers) who may be incentivized to pressurize sales staff, or financial analysts whose literature may be used by sales staff to induce clients to make investment decisions. Persons involved in complaints handling, claims processing, client retention and in product design and development are other examples of Relevant Persons. Relevant persons also include tied agents of the firm.

It is important to add that Moventum has adopted and maintains measures enabling to effectively identify where the Relevant Persons might fail to act in the best interests of their client and to take remedial action. In addition, organizational measures adopted in the context of the launch of new products or services appropriately consider the remuneration policies and practices and the risks that these products or services may pose in terms of conduct of business and conflicts of interests.

Finally, when it comes down to the performance management model of the Relevant Persons, Moventum takes great care in defining an appropriate balance between the weighting of pure quantitative criteria (such as EBITDA, the volumes sold of a specific product, the number of transactions, etc.) and that of qualitative criteria (such as the review of the suitability of instruments, the compliance with internal procedures or the level of client satisfaction), in order to ensure that the performance management model incites in no way Relevant Persons to act against the best interests of their clients.

The table below provides information on the current list of Relevant Persons:

Persons who can have a material impact on the service provided and/ or corporate behaviour of Moventum (Manager-Level and above)	Sales, Compliance, Portfolio Management
Client-facing/ front-office staff (Manager-Level and above)	Client Relationship Management

## 2.6 RESORT TO THE PROPORTIONALITY PRINCIPLE “AMONG INSTITUTIONS”

In the framework of this Policy, and in the light of the risk analysis performed by the control functions, Moventum resorts to the proportionality principle “among institutions”.

This decision is motivated by the analysis of the EBA Guidelines /2021/04Part 4 (articles 85 to 88) that will be updated on an annual basis, based on the review and analysis of the control functions. The results of the proportionality analyses will be reported to the BoD.

In this context of the EBA Guidelines on sound remuneration policies and the CSSF Circular 22/797, Moventum neutralizes the following requirements:

- Requirement to pay out a part of the variable remuneration in instruments and, de facto, the related instrument retention obligations;
- Requirement to pay out a part of the variable remuneration through a deferral scheme.

## 3. REMUNERATION STRUCTURE AND (DISCRETIONARY) BONUS PAY-OUT MODALITIES

### 3.1 STRUCTURE OF THE REMUNERATION PACKAGES

Moventum currently offers two types of remuneration packages. One comprises solely a fixed salary, with the possibility of receiving an extraordinary bonus contingent upon both company and individual performance. The other encompasses a fixed element alongside a discretionary variable component (hereafter referred to as ‘variable remuneration’). The fixed remuneration, which includes the annual





base salary and the fringe benefits, is determined based on the employee's grade (from Officer to Executive), function and seniority. This job classification is based on the same criteria for men, women and staff of diverse genders:

- The knowledge (the academic background, the relevant professional experience as well as the technical capabilities, including the linguistic competences);
- The complexity of the function;
- The impact of the function;
- The human relations implied by the function;
- The team management, coordination and expertise (the hierarchical level of employees and if employees have managerial responsibilities).

Additional criteria can be taken into account to determine the remuneration, such as local market conditions.

The fixed remuneration package is composed as follows:

- Annual base salary is paid monthly in 13 instalments for existing employees based in Luxembourg, 12 instalments to employees based in Germany, Czech, Poland and new hires/ promotions/ salary changes in Luxembourg and 14 instalments to Austrian employees.
- Fringe benefits depending on the location of the employees:
  - Lunch vouchers/ lunch allowance;
  - 1 day additional holiday on/ around birthday;
  - 1 day additional holiday on Good Friday.

It is also to be noted that Moventum may offer additional fringe benefits to some employees depending on their hierarchy/ position/ function of the employees and their placement will be decided by the EM depending on the needs from time to time.

- Employees may be offered individual parking spots at own costs. Moventum keeps a reserve to cancel the offered parking spot.
- Currently one employee falling under the conditions to receive an interest subsidy can benefit from tax exemptions.
- Director level or above and/ or Sales are entitled to be considered for eligibility to drive a car leased by Moventum. This entitlement is subject to the conditions laid down in Moventum's Car Policy.

There are no other benefits of significant value.

No member of Moventum's staff is in the pay bracket of at least EUR one million.

Variable remuneration is only available to employees located in Luxembourg who receive their salary in 12 installments and have a discretionary bonus specified in their contract. The variable remuneration, which shall be determined on performance at individual, department and group level through both qualitative and quantitative criteria, enabling the alignment of the employees' interests with Moventum's. The allocation of variable remuneration components will also take into account all types of current and future risks.

Fixed and variable components of total remuneration are appropriately balanced and 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 the possibility to pay no variable remuneration component, in accordance with Article 38-6 f) of the Luxembourg Law of 23 July 2015 transposing CRD IV (Directive 2013/36/UE).

The total compensation linked to severances or redemption of previous employment contracts must be in line with the long-term interests of Moventum.

### 3.2 VARIABLE REMUNERATION PRINCIPLES AND UPPER LIMITS

- **Principle**

The variable remuneration is designed to motivate and reward a sustainable and risk adjusted performance (e.g. high performers who strengthen long-term customer relationships and generate income and shareholder value). Also, variable remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk taking.

The total volume of variable remuneration will not limit the capacity of Moventum to reinforce its financial base.

Variable remuneration considers a company and an individual component. This seeks to reward the contribution of employees to the financial results of Moventum (and ultimately the group) and the achievements in the implementation of its strategy. Not only is financial success considered in the process, but also the conduct towards employees and clients as part of carrying out business activities.

Both financial and non-financial, respectively quantitative, and qualitative criteria/ targets shall be taken into consideration when determining and assessing the individual's variable remuneration, i.e. compliance with applicable law, external/internal guidelines and procedures. Additionally, managers must fully appreciate both the absolute and relative risk-taking activities of individuals to ensure that variable remuneration allocations are balanced and risk-taking is not inappropriately incentivized. A discretionary assessment is always made to ensure that other factors – including criteria which is not directly measurable – are considered.

Variable remuneration will not be paid out in instruments or via methods whose aim is to circumvent the applicable regulatory requirements and restrictions.

The Human Resources function directs the entire remuneration process, engaging with the governing bodies, control functions and other teams responsible for verifying Moventum's earnings and financial data.

The Human Resources function carries out an annual assessment of the Policy and its compliance with the regulatory framework. The Risk function ascertains whether the incentives provided by the remuneration system take adequate account of Moventum's risks, capital and liquidity situation. Both functions review the identification of IS and the metrics adopted and will be involved in the review and updates of the remuneration systems and Policy to ensure these are in line with the regulations in

force. In consultation with other departments as appropriate, they will check whether or not any compliance breaches have been committed and supply such information to the relevant line manager and to the Compliance function so as to support the annual performance assessment and the decision on the variable remuneration component.

Payment of a variable remuneration one year does not set the precedent for future payments, neither in respect of the employee nor of the amount.

- **Considerations for specific populations**

- Non-Executive Directors

No variable remuneration is granted to Non-Executive Directors. The fixed remuneration granted to Non- Executive Directors for the exercise of their mandates is decided by the BoD.

- Executive Management

Any variable remuneration granted to Executive Managers for the exercise of their mandates is proposed and decided by BoD.

- Control Functions

Any variable remuneration for control functions is to be proposed and approved by the EM. The balance of fixed and variable remuneration of employees in control function is weighted in favour of fixed remuneration. The remuneration of the control functions will never be linked to the performance of the business areas they control. Any variable remuneration to control functions shall be paid out upon achievement of the objectives linked to their functions.

- Identified Staff:

Any variable remuneration granted to the Identified Staff is subject to the criteria and restrictions set out in this Policy. The variable remuneration granted to other identified is proposed and approved by the BoD.

- Relevant Person

Any variable remuneration granted to the Relevant Persons is subject to the criteria and restrictions set out in this Policy.

- **Upper limits of variable remuneration**

It is also to be noted that, as a general principle, and as per the CRD V requirements, Moventum does not pay any variable remuneration exceeding 100 % of the fixed component to any of its employees. On an exceptional basis, Moventum may apply a higher maximum level of the ratio between the fixed and variable components which would in no case exceed 200 % of the fixed component for the IS as per the CRD V requirements. In this case, a detailed recommendation describing the reasons for, and the scope of, the approval sought (incl. the number of employees affected, their functions and the expected impact on the requirement to maintain a sound capital base) will be submitted by the BoD to Moventum's shareholders in general meeting. Copies of both the recommendation of the BoD to the shareholders and the shareholders' decision will be provided to the CSSF.

Regarding the proportion of the variable remuneration, the following guidelines apply to Moventum's IS:

	Maximum Variable remuneration in % of the annual fixed remuneration
Non-Executive Board Members	0%
Executive Management	100%
Control Functions	70%
Other Identified Staff	100%

In accordance with the CSSF circular 15/622, the CSSF has to be informed on an annual basis of any approval by Moventum's shareholders of a higher maximum level of the ratio between the fixed and variable components of remuneration exceeding 100%. Moventum will not exceed 100% bonus for any of its employees.

### 3.3 DEFERRAL AND INSTRUMENT-LINKED PAY OUT PROVISIONS

As described in section 2.6, Moventum resorts to the principle of proportionality amongst institutions and, as mentioned earlier, Moventum neutralizes the following requirements:

- Requirement to pay out a part of the variable remuneration in instruments and, de facto, the related instrument retention obligations;
- Requirement to pay out a part of the variable remuneration through a deferral scheme.

### 3.4 THE EX-ANTE RISK ADJUSTMENT IN THE AWARD PROCESS

According to the EBA Guidelines (EBA/GL/2021/04), Moventum determines the bonus pool and variable remuneration to be awarded based on an assessment of performance and risks taken. The adjustment for risks before the award is made ('ex ante risk adjustment') based on risk indicators determined by the Risk function and ensures that the variable remuneration awarded is fully aligned with the risks taken.

Adjustments are considered when a breach on the risk appetite framework is produced due to decisions of a risk taker individually or as a member of a committee. Adjustments have an individual component of each IS (i.e. correction to the authorized management is not accumulative for areas under their responsibility).

### 3.5 SPECIFIC PAY OUT PROVISIONS

- Malus clause (Ex post risk adjustment)

Any variable remuneration awarded to IS shall be based on their performance and on the premise that they have been fully compliant with the regulatory framework and internal procedures of Moventum. In case of inappropriate behaviour of the employee, such as harassment or failure to comply with the Code of Ethics and of Moventum or in any case a clear misalignment with the values of the group, the BoD may consider a partial or total reduction of the bonus paid to the employee.



Malus event must be defined as fraud, lack of capital, regulatory issues or liquidity or solvency breaches. Given the nature of Moventum business, applied pay-out structures, the period for applying malus is set in three years.

- Clawback

In certain circumstances as follows, the BoD can decide that an employee will pay back the variable remuneration received:

- In case of established fraud or misleading information;
- Misbehaviour or serious error, such as breach of Moventum's policies;
- Severe or material re-opened internal audits points;
- Regulatory sanctions where the conduct of the employee contributed to the sanction;
- Severe operational errors.

Given the nature of Moventum's business, applied pay-out structures, the period for applying clawback is set in three years.

- Sign up bonus

"Welcome bonuses" are granted in the context of recruiting of new employees will remain extraordinary and can be offered only during the first year of employment.

- Retention bonus

According to EBA/GL/2021/04 article 8.4, employees might be awarded a retention bonus, subject to a permanence condition, a performance condition and the absence of malus event, as detailed above.

#### Legitimaty

Moventum must specify the legitimate interest in awarding retention (restructurings, in wind-down, after a change of control or to ensure the finalization of major projects, etc.). Moventum will document the event or justification that made it necessary to award a retention bonus.

#### Performance

The performance conditions must differ from the performance conditions applied to other parts of the variable remuneration and must include a retention condition. Retention bonuses should not lead to a situation where the total variable remuneration, consisting of performance-related variable remuneration and retention bonus, of the employee is no longer linked to the performance of the individual, the business unit concerned, and the overall results of the institution as required under Articles 92(2)(g)(ii) and 94(1)(a).

#### Permanence

Moventum must specify a retention period and a date or event after which it determines whether the retention and performance conditions have been met.

#### Calculation

Retention bonuses will always be considered as variable remuneration for the purposes of calculating the upper limits of variable remuneration described in section 4.2 of this Policy. The retention bonus can be split into annual amounts for each year of the retention period calculated on a linear pro rata

basis or the full amount of the retention bonus can be considered in the year when the retention condition is met.

- Extraordinary discretionary bonus

The decision to grant a discretionary extraordinary bonus, based on outstanding performance in duties or projects, is thoroughly documented. This aligns with Moventum's policy regarding bonus distributions, ensuring that they remain unaffected by factors such as gender, race, religion, nationality, sexual orientation, disability, marital status, or other diversity-related attributes of the individuals and other employees. It's imperative to note that receipt and amount of such bonuses in one fiscal year do not imply a guarantee of similar awards in subsequent years.

- Guaranteed bonus

The decision to award a guaranteed bonus, either by contract or other type of agreement is fully documented. The process whereby the amount to be allocated is decided is similar for IS to that for other employees, excepting that approval lies with the BoD. Moventum's policy in relation to bonus payments still applies, i.e., that they shall in no way be affected by sex, skin colour, race, religion, nationality, sexual orientation, disability, marital status or other diversity-related characteristics of the IS and other employees.

- Severance payments

Severance payments must reflect performance achieved over time and must not reward failure or misconduct. Severance pay will not be awarded where there is an obvious failure which allows for the immediate cancellation of the contract or the dismissal of the employee, or when there is voluntary resignation.

Severance payments will be paid in the event the management of Moventum considers that the risk of going in front of a court proceeding is high and will not offer severance payments that enter in conflict with the applicable labour law.

Severance payments for the IS are payable in accordance with the relevant local jurisdictional laws. The amount of severance payments will be calculated considering EBA Guidelines. Severance payments for the IS will be first assessed by the Risk and Compliance function, and then authorized by the BoD.

## 4. PERFORMANCE ASSESSMENT

The decision to provide a variable performance-based remuneration to any employee of Moventum will be based on the performance assessment results. The assessment of performance will be done on a yearly basis, taking into consideration at least one multiyear objective for IS only, and Moventum will consider the following three levels of objectives criteria:

- Company
- Department
- Individual



Within these levels, the objectives must be a combination of both qualitative and quantitative elements.

- Department performance criteria

Moventum will also assess the milestones achieved of the objectives related to each department, which shall be defined by avoiding inappropriate incentives;

- Individual performance criteria

At the beginning of the year, all individuals will agree on the performance criteria and objectives with their line managers for the year. The objectives must reflect the business strategy and risk profile of Moventum. Where it is appropriate, poor performance in the non-financial variables overrides good performance in terms of profit generation, i.e in the case of unethical or non-compliant behaviour, the individual performance will be impacted and the variable remuneration will not be allocated (i.e 3.4 Specific pay out provisions - Malus clause – ex post risk adjustment mechanism).

All the aspects related to the assessment of the employees of Moventum are detailed in Moventum's Performance Management Policy, which will be available to all employees.

## 5. GOVERNANCE

### 5.1 BOARD OF DIRECTORS

The BoD is responsible for the design of the Policy principles and for the monitoring of the Policy's implementation, maintenance and review. The BoD also ensures to consider all the adequate inputs provided by all competent control functions (i.e. Risk, Compliance, Human Resources function, etc.). Finally, the BoD ensures that the implementation of the Policy is reviewed on an annual basis at a minimum. Such central and independent reviews will assess whether the remuneration system (i) operates as intended and (ii) is compliant with the regulatory requirements. The independent internal audit review will be conducted by Internal Audit or an external audit firm.

### 5.2 EXECUTIVE MANAGEMENT

Notwithstanding the fact that the overall responsibility for the Policy remains in the hands of the BoD, it is important to note the active role of the EM which ensures the operational implementation of the Policy and takes appropriate measures to ensure that it is applied properly.

### 5.3 CONTROL FUNCTIONS

Control functions (Risk, Compliance, and Internal Audit function) are closely associated to the design, draft, update and follow up of the Policy. Risk and Compliance functions should provide effective input in accordance with their roles into the setting of bonus pools, performance criteria and remuneration awards where those functions have concerns regarding the impact on staff behaviour and the riskiness of the business undertaken.



**Risk function role**

Moreover, the Risk function should ensure that the Policy is consistent with and promotes sound and effective risk management.

**Compliance function role**

The Compliance function should analyse how the Policy affects Moventum's compliance with legislation, regulations, internal policies and risk culture and should report all identified compliance risks and issues of non-compliance to the management body, both in its management and supervisory functions. The findings of the Compliance function should be considered by the BoD during the approval, review procedures and oversight of the Policy.

**Internal Audit role**

The Internal Audit function should carry out an independent review of the design, implementation, and effects of Moventum's remuneration policies on its risk profile and the way these effects are managed. Employees are not allowed to use personal hedging or insurance strategies involving the variable component of their remuneration or other aspects, which could alter or otherwise distort the fundamental alignment of the compensation mechanisms with the company's risk. The control functions will carry out annual checks on the declaration of IS not to use personal hedging or insurance strategies. Remuneration cannot under any circumstances be paid in forms, instruments or means that seek to avoid the regulatory provisions.

**Human Resources function role**

The Human Resources function will be responsible upon request of providing to the other control functions accurate data in order to ensure the correct implementation of this Policy.

**Remuneration Committee role**

In line with the Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) a remuneration committee meets on a yearly basis with the purpose of reviewing remuneration and bonus entitlement. The remuneration committee is composed of members of the supervisory function who do not perform executive functions.

The committee is responsible for:

- the preparation of decisions on remuneration to be taken by the supervisory function, in particular regarding the remuneration of the members of the management body in its management function as well as of other identified staff
- provide its support and advice to the supervisory function on the design of the institution's remuneration policy, including that such remuneration policy is gender neutral and supports the equal treatment of staff of different genders;
- support the supervisory function in overseeing the remuneration policies, practices and processes and compliance with the remuneration policy;
- check whether the existing remuneration policy is still up to date and, if necessary, make proposals for changes; e. review the appointment of external remuneration consultants that the supervisory function may decide to engage for advice or support;
- ensure 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;
- 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, risk culture and long-term interest of the institution;

- assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements;
- review a number of possible scenarios to test how the remuneration policies and practices react to external and internal events, and back-test the criteria used for determining the award and the ex ante risk adjustment based on the actual risk outcomes;
- ensure that relevant information on the remuneration policy shall be disclosed to relevant stakeholders, either from a remuneration policy statement, a disclosure in annual financial statement or any other form.

## 6. DISCLOSURE

### 6.1 INTERNAL DISCLOSURE

The general principles of the Policy are made available to all employees.

### 6.2 EXTERNAL DISCLOSURE

In addition, Moventum complies with the external disclosure provisions defined by the regulatory texts, especially CRR 575/2013 (Art 450 on Remuneration Policy). Information as required on CRR 575/2013 will be disclosed in the website of the Entity every year.

Without prejudice to Article 96 of Directive 2013/36/EU, Moventum makes available the information on how it complies with the requirements of Articles 92 to 95 of Directive 2013/36/EU together with the disclosures required by Article 450 of Regulation (EU) 575/2013, and ensures that the disclosures are easily accessible.

## 7. TRACK VERSION

Version	Creation Date	Responsible Areas	Approval
1.0	Oct 2021	Human Resources	Board of Directors
2.0	Jan 2023	Human Resources	Board of Directors
3.0	May 2024	Human Resources	Board of Directors