

# Asgard Asset Management

COMPENSATION POLICY FOR ASGARD ASSET MANAGEMENT A/S	RESPONSIBLE:	LATEST CHANGE:
	Kasper Ullegård	November 2024
DESCRIPTION:	PREPARED:	APPROVED BY:
6. Edition	Kasper Ullegård	Board of Directors
COHERENCE WITH OTHER DOCUMENTS:	FREQUENCY:	NEXT UPDATE:
The Company's business process	Annually	December 2025

## 1. Background and purpose

As a manager of alternative investment funds, ASGARD ASSET MANAGEMENT A/S, (hereinafter referred to as "the Company"), is obliged to ensure sound policy and practice for remuneration in the Company. This remuneration policy has been prepared in accordance with section 20 of the Executive Order on Wage Policy and Remuneration in among others investment management companies, as well as in accordance with the European Securities and Markets Authority ("ESMA") Guidelines for sound remuneration policies under the Alternative Investment Fund Managers Directive (Directive 2011/61 / EU).

The purpose of the Company's remuneration policy is to establish principles for remuneration of the Company's Board of Directors, Executive Board, and employees, in a manner that supports the Company's overall objectives, values and strategies. The remuneration policy also establishes the Company's pension policy as well as guidelines for the allocation of severance pay.

The company's remuneration policy is designed to promote sound and effective risk management and to reduce potential conflicts of interest.

### 1.1 Field of application

The remuneration policy applies to the Company's Board of Directors, Executive Board and other employees whose activities have a significant impact on the Company's risk

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profile or risk profile of the managed alternative investment funds, so-called “identified employees” / “significant risk takers”.

The remuneration policy generally distinguishes between three remuneration guidelines:

- 1) Remuneration of the Board of Directors.
- 2) Remuneration of the Executive Board.
- 3) Remuneration of other employees, including employees with a significant impact on the Company's risk profile or on the risk profile of the managed alternative investment funds.

## **1.2 General guidelines for remuneration**

The Company's remuneration policy and practice must not encourage the accumulation of risks that are not compatible with the risk profiles, articles of association, tender documents, marketing, or the like of the managed alternative investment funds.

The remuneration must be in reasonable proportion to:

- a) The position in question, including the tasks to be solved and the responsibilities associated with solving the tasks,
- b) The Company's specific circumstances,
- c) Relevant personal and professional competencies, efforts, and results, as well as attitude and behavior in relation to the Company's values,
- d) Value creation for the Company, and
- e) Market conditions.

## **2. Remuneration Committee**

In view of the Company's size, organization, and activities, including the Company's purpose and complexity, it is not necessary to set up a remuneration committee. The Board

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of Directors discusses once a year, at the meeting where the remuneration policy is reviewed, the need to set up a remuneration committee.

### **3. Approval, implementation, and control**

The remuneration policy is determined by the Company's Board of Directors and approved by the general meeting at the next ordinary general meeting if changes have been made.

The Company's Board of Directors is responsible for ensuring that the remuneration policy is properly implemented in the Company, including that the remuneration policy is available to the persons it always covers.

The Board of Directors reviews and assesses the remuneration policy once a year with a view to adapting it to the Company's, the alternative investment funds', and the market's development. If the need for this is assessed, the Board of Directors can review the remuneration policy more often.

The Board of Directors ensures that at least once a year a check is made of whether the remuneration policy is implemented and complied with in practice. The Board of Directors lays down more detailed guidelines for how this control procedure is to be carried out, including how reporting to the Board of Directors is to take place.

The Board of Directors continuously monitors the remuneration of employees in the Company's respective departments, including employees who work with control, portfolio management, (internal) risk management and compliance.

In his report to the Company's Annual General Meeting, the Chairman of the Board of Directors must present a statement of the remuneration of the Company's management, which relates to the remuneration in the previous financial year and the expected remuneration in the current and coming financial year.

### **4. Appointment of identified employees**

The Company's Board of Directors is responsible for appointing the employees, in addition to the Board of Directors and the Executive Board, whose activities have a significant impact on the Company's risk profile or on the risk profile of the managed alternative investment funds, and which are thus covered by the remuneration policy.

Identified employees include risk takers, control functions and employees whose total salary is within the same salary range as management, and risk takers whose work has a significant influence on the Company's risk profile. Control functions are understood

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to mean employees with responsibility for risk management, compliance, and similar functions, including the preparation of accounts.

Pursuant to the Executive Order on remuneration policy and disclosure obligations on remuneration for managers of alternative investment funds the following persons are to be perceived as identified employees as a starting point:

- a) persons who, together with the Executive Board, participate in the management of the Company, including e.g., partners,
- b) the management of the part of the Company that deals with portfolio management, including employees who have significant decision-making competence in relation to the acquisitions and divestments of activities of the managed alternative investment funds.
- c) the management of the part of the Company that invests the Company's or the managed alternative investment funds' own funds,
- d) employees who, through financial instruments and for the Company's own funds, may take a significant risk on behalf of the Company or the managed investment funds.
- e) the management of the part of the Company responsible for monitoring compliance with risk-taking limits; and
- f) other employees who may inflict significant credit risks on the Company or the managed alternative investment funds.
- g) other employees whose activities have a significant influence on the investment manager's risk profile or on the risk profile of the managed alternative investment funds are, in principle, employees who meet one or more of the following criteria, unless the employee has no significant influence after a specific assessment; on the

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investment manager's risk profile or on the risk profile of the managed investment funds managed:

- 1) The employee was awarded a total salary corresponding to EUR 500 000 or more in the previous financial year.
- 2) The employee is among the 0.3% of the manager's employees, rounded to the nearest whole number, which was awarded the highest total remuneration in the manager in the previous financial year.

## **5. Remuneration to the Board of Directors**

As a starting point the Board of Directors is remunerated with a fixed fee, which is approved by the Company's supreme authority, the general meeting.

The Fixed fee is set based on units of pay. Each unit is currently set to DKK 150.000. The Fixed fee is paid out on a quarterly basis.

The Chairman of the Board receives two units of pay annually. The remaining members are entitled to one unit each. A board member can at their own discretion decide not to receive any remuneration.

A fixed fee supplement of up to one unit of pay can be paid out if a Director performs extraordinary tasks that are clearly additional to ordinary board duties. The general meeting must approve of any fixed fee supplement.

The Board of Directors is not excluded from variable remuneration.

If it is decided that the Board of Directors must receive variable remuneration, this variable remuneration to the Board of Directors is subject to the restrictions in section 9.1

The remuneration of the board members is specified in the annual report and on the company website

## **6. Remuneration to the Executive Board**

The remuneration of the Executive Board is determined by the Board of Directors.

The Executive Board is remunerated with a fixed remuneration. The Board of Directors may decide to combine fixed and performance-based remuneration for the Executive Board to ensure that the Company can attract and retain qualified persons, and that

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the Executive Board, through a partially performance-based remuneration, is encouraged to create value for investors in the alternative investment funds.

The variable remuneration to the Executive Board is subject to the restrictions in section 9.1.

The total remuneration to the Executive Board is specified in the annual report and on the company website.

## **7. Remuneration of identified employees**

Remuneration of employees who are classified as identified employees are determined by the Executive Board.

Such employees are remunerated with a fixed remuneration and a variable remuneration.

The Executive Board has the option of allocating variable remuneration for identified employees, which is dependent on the monthly percentage return that a managed alternative investment fund makes (monthly hurdle rate). The variable remuneration also varies depending on the value of the assets of the relevant managed investment fund under management.

## **8. Remuneration to other employees**

Remuneration of employees is determined by the Executive Board.

Employees are paid a fixed salary.

The Executive Board has the option of paying bonuses to other employees after a specific assessment of both financial and non-financial criteria, provided that the stipulated restrictions for the allocation of variable salary components in the applicable legislation are complied with.

## **9. Use of variable remuneration**

The above-mentioned fixed salary components and other bonuses, which the Board of Directors decides to pay to the Company's management and / or identified employees after a specific assessment, must be made considering financial and non-financial criteria and while observing the restrictions resulting from applicable law. The total variable salary that the Company undertakes to pay must not undermine the Company's ability to strengthen its capital base.

The performance measurement to be used as a basis for the variable salary component must reflect the current and future risks associated with the results in question, as well as any capital costs and liquidity required to achieve the results.

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Any bonus, in addition to the variable remuneration set out above, is determined based on an assessment of the performance of the employee in question, the performance of the sub-fund or managed alternative investment funds and the Company's overall performance.

If the employee in question is involved in control functions, the variable salary must depend on how the employee and the control function meet the goals associated with the control function. The variable salary must be independent of the performance of the departments with which the function conducts control.

The starting point for earning variable pay is the financial year. The variable remuneration will be paid out along with the fixed salary in January / February the following year.

## 9.1 Limitations on variable remuneration

To ensure an appropriate balance between fixed and variable remuneration, the Board of Directors has determined the following:

- 1) The Board of Directors may maximally receive a variable remuneration, including a bonus, corresponding to 50% of the fixed basic salary.
- 2) The Executive Board's variable remuneration, including bonuses, may not exceed 50% of the fixed basic salary.
- 3) The ceiling for variable remuneration, including bonuses, for identified employees amounts to 200% of the fixed salary, and otherwise varies depending on the function the employee occupies. Thus, no employee can obtain a bonus that exceeds 200% of the fixed base salary. The Board of Directors considers that this is an appropriate ceiling with a view to ensuring the possibility of pursuing a flexible bonus policy in remuneration.
- 4) When determining the size of a "large amount" for use in distinguishing between whether 40% or 60% of the variable salary component is to be paid over a period, amounts over DKK 750,000 are considered a "large amount".
- 5) Variable remuneration, including bonuses, of employees in control functions must not depend on the result in the department being controlled.

The Company may refrain from paying variable salary in whole or in part if, at the time of payment, the Company does not comply with the capital base requirements in the AIFM Act, or if it is assessed that there is an imminent risk thereof.

The company may demand repayment of the variable salary in full or in part if the variable salary has been paid based on information about results that can be proven to be incorrect, or if the recipient is in bad faith.

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It is a condition for the payment of variable pay that the recipient has not participated in, or been responsible for, conduct that has resulted in significant losses to the Company or the alternative investment funds, or has not complied with appropriate requirements for suitability and integrity, and provided that the Company's or the alternative investment funds' financial situation has not significantly deteriorated in relation to the time of calculating the variable salary.

Payment of a variable salary is furthermore conditional on members of the management or identified employees not hedging market risks associated with the shares or/and instruments in the alternative investment funds, and that members of the management and identified employees may not dispose of / transfer own investments and instruments within one year of acquisition.

## **10. Pension policy**

The Company does not operate a pension policy for either management or other employees.

## **11. Sustainability and compensation**

The remuneration policy promotes healthy and efficient risk management also on the topic of ESG. As an example, sustainability considerations must not be dominated by excessive risk taking. Potential unwanted activities such as (but not limited to) greenwashing, incorrect marketing or misleading description of the investment strategy are monitored and included in the evaluation of and by the Board of Directors and the Executive Board related to remuneration.

## **12. Guidelines for severance pay, retention allowance, and joining bonus.**

Only the Executive Board or an identified employee can obtain an agreement on special severance pay. If such an agreement is made, it must be determined at the outset of the agreement which results and criteria that are decisive for obtaining the special severance pay.

The Board of Directors have decided that a maximum of 200% of annual salary including possibly variable remuneration and bonus can be paid out as severance pay.

## **13. Publication in the management's review in the Annual Report**

The company publishes the following information in the annual reports:

- a) The total salary amount, and the number of employees, in the previous financial year. The Chairman of the Board of Directors also informs the general meeting of the expected salary amount in the current financial year and the expected salary amount in the next financial year, split into fixed and variable salaries paid by the Company to the employees, as well as the number of recipients.



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- b) The total salary amount split between the Company's management and identified employees.

The annual report must also state whether the total salary amount relates to:

- a) The total salary amount for all employees in the Company and the number of recipients.
- b) The total salary amount for the employees in the Company who are fully or partially involved in the investment activities of the alternative investment fund and number of recipients.
- c) The share of the total salary amount for the employees in the Company, which is attributed to the alternative investment fund and the number of recipients.

The information on the total remuneration of the entire Company (AIFM level) could if available and easily accessible be broken down and stated for each managed alternative investment fund. It must also be described how the allocation or division is provided.

The company must also provide general information on financial and non-financial criteria for remuneration policy and practice for the relevant employee categories, so that investors can assess the incentives created. The information must be sufficient for investors to understand the risk profile of the managed alternative investment fund and the measures taken to avoid or manage conflicts of interest.

The Executive Board of the Company and the Management of the alternative investment fund in which this information is provided are responsible for ensuring that the Personal Data Act's rules for the disclosure of such information on remuneration are observed upon publication.

## 14. Change log

Date	Owner	Change	Date of approval by the Board of Directors
14/11 2024	KU	Annual review	29/11/2024
04/09 2023	KU	Extension of Board remuneration section	05/12/2023
25/11/2022	KU	General update	12/12/2022
24/11/2021	BD	Annual review	24/11/2021
25/5/2021	BD	Update	25/5/2021

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Thus reviewed/adopted at the board meeting 29 November 2024