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MIRABAUD & CIE (EUROPE) SA'S REMUNERATION POLICY *(English translation)*

ADDRESSEES																	
BUSINESS LINES				ENTITIES													
PRIVATE BANKING	ASSET MANAGEMENT	BROKERAGE	RISK FINANCE TRANSACTIONS	MIRABAUD PARTNERS & CIE	MIRABAUD & CIE SCA	MIRABAUD & CIE SA	MIRABAUD CANADA INC	MIRABAUD (MIDDLE EAST) LTD	MIRABAUD & CIE (EUROPE) SA	MIRABAUD UK LTD	MIRABAUD SECURITIES LTD	MIRABAUD ASSET MANAGEMENT (UK) LTD	MIRABAUD ASSET MANAGEMENT (EUROPE) SA	MIRABAUD ASSET MANAGEMENT (SWITZERLAND) SA	MIRCAN & CO	GALMIR LTD
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1 General information

1.1 Principle, Content and Proportionality

The purpose of these regulations is to determine the principles that apply to the remuneration policy (hereinafter the “Policy” or the “Regulation”) of Mirabaud & Cie (Europe) SA (hereinafter “MCE”) in respect of the remuneration of its Staff Members.

The Policy reflects MCE’s objectives for good corporate governance as well as sustained and long-term value creation. It ensures that:

- MCE is able to attract, develop and retain high-performing and motivated employees in a competitive labour market;
- employees are offered a competitive remuneration package;
- gender neutrality and equal pay irrespective of the gender are ensured;
- employees feel encouraged to create sustainable results.

The Policy will contribute to ensure a sound and effective risk management and that a link exists between shareholder and employee interests.

This Policy is proposed by the Senior Management of MCE with the involvement and support of the Human Resources function and the internal control functions (the “Control Functions”). MCE further had recourse to external specialist advice during the initial elaboration process of the Policy. The Policy shall be reviewed by the supervisory function of MCE’s Board of Directors (hereinafter the “Supervisory Function”) and then be approved by MCE’s Board of Directors.

The Policy is reviewed every year by the Human Resources function with the support of the Control Functions in order to specifically ensure its relevance and consistency with the risk management targets assigned to Senior Management and the appropriateness of the system in terms of responding to changes in the regulations and the competitive environment. The outcome of the review (and/or changes to the Policy) will be pre-approved by the Supervisory Function and approved by MCE’s Board of Directors.

MCE’s Board of Directors is authorised to amend this Policy every time that it considers it useful to do so. Any update made to the Policy will be subject to the pre-approval by the Supervisory Function and the approval of MCE’s Board of Directors.

Appendices may be amended under the initiative of the Senior Management of MCE, pre-approved by the Supervisory Function and approved by MCE’s Board of Directors.

In parallel, MCE will conduct regular assessments of the gender neutrality of the Policy and implement any adjustments that would be needed. MCE will monitor the development of the gender pay gap separately for:

- Identified Staff, excluding members of MCE’s Board of Directors;
- Internal Directors,
- External Directors; and
- Other Staff Members.

In case, the above-mentioned gender neutrality assessment reveals the existence of material differences between the average pay of male and female members of MCE’s Board of Directors, MCE will document the main reasons and take appropriate action where relevant.

The provisions of this Policy have been drawn up in accordance with the provisions of the Law of 20 May 2021, which transposes Directive 2019/878/EU issued by the European Parliament and Council on 20 May 2019 ("CRD V") (amending Directive 2013/36/EU issued by the European Parliament and Council on 26 June 2013 (CRD IV)) into Luxembourg law, amending the Law of 5 April 1993 regarding the financial sector as well as any implementing measures of Directive (EU) 2019/878 of the European Parliament and Council on 20 May 2019 (CRD V), including guidelines at the European level and the relevant CSSF circulars, in particular Circular 22/797., et Règlement (UE) 2019/2088 du Parlement Européen et du Conseil du 27 novembre 2019 sur la publication d'informations en matière de durabilité dans le secteur des services financiers.

The implementation of the Policy will also be subject to an assessment by Mirabaud's Group's internal Audit Department at least once a year in order to check that MCE complies with the Policy and procedures adapted by the Board of Directors.

Pursuant to the principle of proportionality and in view of MCE's size, business activities as well as risk profile, the Board of Directors has decided to forego the application of the following principles (based on article 38-6(2)a) of the law on the financial sector of 5 April 1993, as amended):

- Awarding 50% of variable remuneration amount in the form of financial instruments;
- Retention policy;
- Deferral of a portion of the variable remuneration amount as foreseen under CRD V (an alternative deferral model reflecting Swiss requirements and practices relevant to Mirabaud Group is applied);
- Implementation of a remuneration committee;

Further explanations that justified the application of the proportionality principle are provided in Appendix 1.

This Policy is to be regarded as a complement to the other rules, regulations and instructions governing the relationship between MCE and its Staff Members. Nothing contained in this Policy shall be construed or have effect as giving rise to an employment relationship of employer and employee where a specific employment contract has not been concluded with the concerned individuals.

The terms "employee" and "employment" are used in this Policy for ease of reading only. The mere use of the words "employee" and "employment" shall not give the status of employee to the individuals falling within the scope of this Policy.

The Policy shall not be used to alter the nature of the contractual relationship existing between an individual falling within its scope and MCE. Nothing contained in this Policy shall be construed or have effect as giving rise to a contractual or an acquired right to any of the rules, principles, mechanism, benefits or others that can be at any time discretionarily amended by MCE.

1.2 Object

The object of this Policy is to determine:

- The principles applicable to determining the remuneration;
- The process for setting and applying the Policy;
- The persons who may have an impact on MCE's level of risk.

1.3 Scope

This Policy applies to all of MCE's Staff Members, including at its branch offices in France, Spain and the United Kingdom or subsidiaries, to the extent however that local rules are not more restrictive. Specific rules are applicable to Identified Staff (as set out in section 3.3 below).

1.4 Information for the employees

The Policy is communicated to all of MCE's Staff Members and can be viewed on a dedicated shared directory.

Management takes care to ensure that the Staff undertakes not to use personal hedging strategies or insurance policies relating to liability or remuneration in order to counter the impact of aligning themselves with the risk included in the remuneration terms and conditions, as determined in this Policy.

2 Definitions

The present paragraph defines terms and abbreviations which have a special meaning in this document.

Board of Directors or MCE's Board of Directors: The board of directors of MCE.

Control Functions: the internal control functions of MCE, i.e. internal audit, compliance and risk management departments.

Convention Collective: The collective bargaining agreement for bank employees as negotiated from time to time between the Luxembourg Bankers' Association (ABBL) and the trade unions. It regulates the general terms of work between the member banks of the association and their Staff Members whose employment agreements are fully subject to the Convention Collective.

Deferral Document: "Mirabaud Deferred Plan – Staff Member Information Document – EUR" document.

Director: A member of the Board of Directors.

ESG: Environmental, social and governance.

Executive Board: Composed by the Senior Management and other colleagues determined by the relevant stakeholders from time to time.

External Director: Director who is not linked to a company that is part of Mirabaud Group by virtue of an employment agreement.

Identified Staff: Staff Members whose professional activities have a material impact on MCE's risk profile and which are determined based on the qualitative or quantitative criteria defined in the EU delegated regulation n°2021/923 (or on the basis of any further regulation completing/replacing the same). Material risk takers are Identified Staff (i.e. the expressions designate the same population).

Internal Director: Director who is linked to a company that is part of Mirabaud Group by virtue of an employment agreement.

Mirabaud Group: MCE and all its parent, subsidiary and Affiliate companies, whereby an Affiliate company refers to any company MCE or its parent or subsidiary companies hold(s) an equity interest in.

MCE: Mirabaud & Cie (Europe) S.A., with its registered office at 25, avenue de la Liberté, L-1931 Luxembourg and registered with the Luxembourg Trade and Companies Register under the number B181645.

Policy or **Regulation**: The remuneration policy of MCE.

Senior Management: “authorised management” as defined in the law of 5 April 1993 on the financial sector, as modified.

Staff Member(s) or **Staff**: MCE’s entire workforce which is linked to MCE via an employment agreement or otherwise, including the members of the MCE’s Executive Board.

3 Principles applicable to all Staff Members for determining the remuneration policy

3.1 Aim

The aim of MCE’s remuneration policy is to encourage employees to behave in a way that is in line with MCE’s business strategy, goals, values and long-term interests as well as with the Mirabaud Group’s overall strategic targets, philosophy and values.

MCE’s Policy pays particular attention to the measures to take in order to avoid or reduce conflicts of interest. MCE has established objective award criteria, appropriate controls and the four eyes principle.

Control Functions, are provided with individual targets that reflect performance in their own function to minimize conflict of interests. In particular, financial goals are not applied, nor is their remuneration linked to the performance of the activities they control or determined according to other criteria which compromise the objectivity of their work.

The Policy aims to establish a framework for overall remuneration, i.e. all kinds of fixed and variable remuneration. The Policy has been drawn up taking into account MCE’s organisational structure as well as the specific business activities that it conducts, pursuant to the principle of proportionality. MCE wants to compensate its Staff Members depending on what they do and how they do it, in connection with the success achieved by Mirabaud Group and MCE and taking into account the objectives pursued by MCE to moderate its risk profile. The compensation model is based on the elements function, personal earnings, personal achievement, the contribution to the risk profile of MCE and MCE's success. Furthermore, this Policy is gender neutral in the sense that it ensures that Staff Members, independent of their gender, are equally remunerated for equal work or work of equal value in line with Article 3(1) point 65 of Directive 2013/36/EU and Article 157 of the Treaty on the Functioning of the European Union.

The Policy is part of MCE’s corporate governance and contributes to the achievement of corporate goals. It supports the strategic objectives of the human resources management in the recruitment, the contribution and benefit orientation, the retaining of personnel as well as its permanent development. In addition, the Policy encourages a long-term commitment to the interests of owners and clients and ensures that the total cost of compensation is appropriate. Excessively high wages are not in line with MCE’s corporate culture.

The Mirabaud Group is an unlisted private group, which is managed in a cautious manner by partners who are private individuals and whose own assets are at risk. MCE’s organisational structure is based on simple principles that have enabled Mirabaud to withstand the successive financial and economic crises of the past 30 years with no problems, i.e. cautious management of business development, no proprietary trading, a strict policy in terms of identifying and neutralising conflicts of interest as well as strict limits on employees’ risk-taking or commitment powers.

MCE’s business cycle is a short cycle, which is linked to the specific features of the wealth management business that it conducts.

The Control Functions and human resources assist Senior Management and, if necessary, the Supervisory Function, with ensuring that the Policy and planned variable remuneration relies on appropriate factors, such as those relating to the employee's attitude and individual achievements, personal earnings MCE's earnings and success and compliance with internal policies and procedures relating to internal control, the monitoring of risk and compliance. The Control Functions at MCE monitor the application of the Policy on an ongoing basis and assist Senior Management and, if necessary, the Supervisory Function with its review.

3.2 Policy applicable to all Staff

The remuneration consists of a fixed portion and of a variable portion, both of which are paid exclusively in cash.

The fixed and variable components of the overall remuneration amount are balanced in an appropriate manner. The fixed component amounts to a sufficiently high portion of the total remuneration to ensure the greatest flexibility possible in terms of the variable component, including the option not to pay a variable component. The various remuneration components are combined to ensure a balanced remuneration package that reflects the business unit, the Staff Member's qualification and rank, his professional activity as well as market practice. The fixed and variable components both reflect the complexity and the size of MCE.

3.2.1 Fixed portion

The fixed portion of employees' remuneration takes into account the obligations relating to the position, the level of expertise required, the degree of responsibility actually exercised, the professional experience acquired, the seniority as well as the remuneration usually paid for a similar position in the market. These elements are neither discretionary nor performance related. In addition, insofar as determined in the individual employment agreement between MCE and the Staff Member, the provisions of the Collective Convention in its current version may apply.

As a general rule, the Senior Management, with the input from the line management, will at least once a year perform a review on the appropriateness of the base salary of each Staff Member and may decide on adjustments it deems appropriate in view of factors such as change in function, whereby changes in function or hierarchical position may result in an increase or decrease in base salary.

Allowances such as shift allowance, overtime, night and weekend work as well as lump sum expenses are not part of the fixed portion of the employee's remuneration.

The benefits in kind awarded to employees at this stage are luncheon vouchers and a pension scheme. These benefits should be considered as a fixed remuneration amount. These benefits are offered to all employees. The amount contributed by the employer to these various schemes may vary depending on the employee's classification, the level of their fixed remuneration, and their seniority at the Mirabaud Group. The aim of these benefits is to provide a long-term incentive for employees, with a view to increasing their loyalty.

3.2.2 Variable portion

3.2.2.1 Performance management principles

3.2.2.1.1 General principles

The basis on which variable remuneration amounts are calculated is determined by taking into account the employee's individual performance, which includes both financial and non-financial criteria, MCE's overall results and performance, and the overall performance of the wealth management business line at the Mirabaud Group. Variable, performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. In principle, such performance-based remuneration is only allocated to Staff Members whose employment relationship is not subjected to the Convention Collective, noting that Staff Members subject to the Convention Collective benefit from specific other advantages, including but not limited to the loyalty bonus paid in June. The Senior Management may decide to allocate a performance-based remuneration also to Staff Members whose employment relationship is subjected to the Convention Collective in view of extraordinary achievements.

Allocation is done by ensuring:

- an appropriate balance between fixed and performance-based components;
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the variable component possible;
- that the performance-based component reflects the risk underlying the achieved result;
- that awarded performance-based pay may be forfeited in full or in part if granted on the basis of unsustainable results in line with applicable laws and regulations.

The variable portion is based on the principle of pay-for-performance. It is not a guaranteed compensation and may vary depending on one or several of the performance factors mentioned below. It can even be zero. The general principle laid down in paragraph 3.2.2.6.2 “Guaranteed variable remuneration and buy-out bonuses” in relation to the prohibition of guaranteed variable remuneration shall apply to all Staff Members of MCE.

Some designated relationship managers are eligible to a specific contractual gratification. The contractual gratification takes into account the net revenues generated by the assets of the clients registered under the employee and under deduction of the employee's gross salary and a percentage of other costs. If the expected return on assets is not achieved, the contractual gratification is reduced proportionally. However, despite the application of a calculation formula, the final fixing of the contractual gratification takes into account the performance of MCE as well as the consolidated business line wealth management of the Mirabaud group. Any behavioral issues or compliance issues would lead to a reduction or cancellation of the contractual gratification.

The criteria for evaluating the performance of Identified Staff are specifically set down in the paragraph 3.3 “Policy applicable to Identified Staff”. The criteria and weightings are reviewed every year. They will be adjusted by incorporating current and future risks of all kinds.

3.2.2.1.2 Performance objectives

Performance objectives can be set at the level of MCE or each individual Staff Member. All elements of discretionary compensation are aggregated under variable remuneration. The variable, performance-based remuneration motivates and rewards high performers who:

- strengthen long-term client relations;
- generate considerable income;
- contribute to the creation of shareholder value;
- help to achieve the targets in terms of corporate values, risk appetite and cost of capital.

Performance evaluations will give rise to a rating, which will be established annually, based on Mirabaud Group’s, MCE’s, the wealth management business unit’s as well as on the individual Staff Member’s performance; this rating will serve as the basis for determining the variable remuneration paid to Staff Members.

3.2.2.1.3 Performance criteria

Qualitative assessment of work performance of daily activities according to job description:

- dedication, motivation, commitment to work;
- behaviour, cooperation with team and management, compliance with rules and regulations;
- knowledge, skills, understanding of business;

- exercise of management function (for Staff Members with line management responsibly);
- living the corporate values.

With regard to the evaluation of qualitative criteria such as compliance with rules and regulations (as set out in the second bullet point above), the evaluation will include any information received by the Control Functions.

Quantitative criteria depend on the strategic priorities and the individual functions of the Staff Member.

3.2.2.2 MCE's performance

The criteria to measure the achievement of MCE's financial objectives are defined by the Board of Directors. Target figures are taking into account the strategy, objectives and risk appetite. Deriving individual targets are defined and agreed on between the Staff Member and its line management.

3.2.2.3 Business unit's performance

The criteria to measure the achievement of the wealth management business unit's financial objectives are defined by the Senior Management.

3.2.2.4 Staff Member‘s performance

Line managers perform annual personal interviews with each of their Staff Members where targets are discussed and performance (MCE, business line and individual) and behaviour are assessed.

Those periodic discussions are the basis for a formal annual performance assessment, which in turn will lead to the determination of the variable remuneration, as set down in this section. The variable remuneration amount for the year just-ended will be determined depending on the weighted score of these ratings, based on the criteria as set out in this section as well as MCE's overall results and performance and the overall performance of the wealth management business line at the Mirabaud Group. The assessment is performed in a multiannual framework to guarantee that it is based on long-term individual performances and is properly documented. In order to ensure that Staff Members' performance is risk adjusted and appropriately reflected in the variable remuneration, performance measurement is applied at all stages (i.e. setting up of bonus pool and actual award of remuneration).

The annual performance assessment is documented by MCE in a standardised form defined by the Senior Management and distributed to all Staff Members by the human resources function.

1. Level of achievement of MCE, the business unit and the personal objectives of the Staff Member;
2. Qualitative assessment of work performance
    - quality and quantity of work (performance of daily activities according to job description);
    - dedication, motivation, commitment to work;
    - behaviour, cooperation with team and management, compliance with rules and regulations;
    - knowledge, skills, understanding of business;
3. Appraisal of the exercise of the Line Management function;
4. Appraisal of conduct in compliance with corporate values;
5. Line manager's recommendations for professional development; potentially indication of binding measures if required.

The performance assessments are conducted against the background of the objective of ensuring equal opportunities for all genders.

Issues in performance (MCE, business unit or individual) or in behaviour can lead to a reduction or cancellation of variable remuneration.

3.2.2.5 Deferral of variable remuneration

Pursuant to the principle of proportionality, MCE can dis-apply deferral of a portion of the variable remuneration amount as foreseen under CRD V. However, to reflect Swiss requirements and practices relevant to Mirabaud Group, MCE follows an alternative model under which it defers part of the variable remuneration. The model only applies to bonus and does not cover guaranteed variable remuneration and buy-out bonuses set out in clause 3.2.2.6.2 of the Policy below).

The variable remuneration is deferred over three years, in line with the following elements:

- In case the annual variable remuneration is above EUR 45,000 and the total annual remuneration of at least EUR 225,000, 20% of the annual variable remuneration will be deferred;
- In case the annual variable remuneration is above EUR 45,000 and the total annual remuneration of at least EUR 450,000, 30% of the annual variable remuneration will be deferred.

Additional information on the deferral of variable remuneration can be found in the Deferral Document. The latest applicable version of the Deferral Document will be available from time to time on the intranet of MCE.

Any deferred tranches are subject to malus and claw-back as outlined under clause 3.2.2.7. below..

In case of any discrepancies between this Policy and the Deferral Document, the provisions of this Policy shall prevail.

3.2.2.6 Elements of variable remuneration

3.2.2.6.1 Cash bonus

The variable compensation allocated to an individual Staff Member is awarded according to the criteria, which are assessed annually in accordance with the process defined in the preceding paragraphs.

The Board of Directors decides annually, upon recommendation of the Executive Board, on the cash amount allocated to the annual bonus pool. It is the Board of Directors, in its Supervisory Function, exclusively which decides on the bonus of the Executive Board, of the Control Functions, of the Senior Management and, with the recommendation of the Executive Board, of other Identified Staff.

The Executive Board/Senior Management then allocates, together with the responsible line management and after consultation with the Group function heads where applicable, the individual bonuses for the Staff Members concerned.

The bonus in relation to a specific year, if any, is made in cash during the first half of the following year.

3.2.2.6.2 Guaranteed variable remuneration and buy-out bonuses

The allocation of fixed bonuses would be against the performance based remuneration principles of MCE. This is why MCE will in principle not contractually agree the value of any variable remuneration. In special circumstances a specific target bonus might be agreed upon (e.g. bonus linked to the achievement of concrete financial objectives such as net client profitability), although even in that case the payment will remain discretionary.

MCE may use so called “welcome packages” (one off payment or agreed cash bonus in relation to the first year of employment only) to secure itself the services of new Staff Members in competitive market environments. Such a welcome package, if any, is strictly limited to the first year of their employment. They may only be allocated with the explicit approval of the Senior Management or, in relation to the hiring of a Senior Management member, the approval of the Board of Directors.

Severance payments are payable in accordance with applicable labour law or, if applicable, the Convention Collective. MCE forbids itself to contractually agree severance payments in advance. Payments relating to the early termination of an employment contract, which are awarded on a contractual basis, must correspond to the Staff Member’s actual performance during the employment period and cannot reward failure or misconduct. In particular, severance payments may be paid out in the context of a settlement agreement in order to prevent or terminate a potential or current labour dispute leading to costly and long labour court procedures which may declare the dismissal as irregular, unfair or void. In order to assess whether a dismissal is likely to be declared irregular, unfair or void by labour courts, MCE will, as need may be, seek assistance of internal or external specialists. Severance payments to Identified Staff exceeding the minimum of the labour law or the Convention Collective need to be approved by the Senior Management except if it concerns severance to a member of Senior Management or head of Control Function, in which case an approval of the Board of Directors (with the pre-involvement of the Supervisory Function) is required.

The overall remuneration relating to compensation for or the buy-out of previous employment contracts will comply with MCE’s long-term interests, including in terms of retention, performance, and claw-back systems. Approval levels are identical to those defined in relation to “welcome packages”.

3.2.2.7 Full or partial cancellation or reimbursement of variable remuneration: malus and clawback

MCE reserves itself the right to demand the re-payment by the Staff Member of any unduly granted bonus payments or not to pay an awarded remuneration e.g. in the following situations:

- Evidence of misconduct or serious error by the Staff Member (e.g. breach of code of conduct and other internal rules, especially concerning risks);
- If the institution and/or business unit subsequently suffers a significant downturn in its financial performance (e.g. specific business indicators);
- If the institution and/or the business unit in which the Identified Staff Member works suffers a significant failure of risk management;
- Significant increases in the institution’s or business unit’s economic or regulatory capital base;
- Any regulatory sanctions, e.g. punitive, administrative, disciplinary or otherwise, where the conduct of the Staff Member contributed to the sanction,

In view of the specific nature of the private banking business, the application of the principle of proportionality, the particular features of its organisational structure and the very strict limits on making commitments and incurring risk, Mirabaud has never been required to apply deferred remuneration at its entities based in the European Union, in Spain and in France, with the full agreement of the regulatory authorities concerned.

3.2.3 Sustainability in compensation

MCE recognizes the importance of ESG sustainability elements throughout its business activities, including in the remuneration. In accordance with Mirabaud Group's standards, ESG is reflected in various aspects of the remuneration at regional, divisional and individual levels through proper governance, performance measurement standards (around values, client satisfaction and employee development) and risk management considerations.

Remuneration is designed to ensure compliance with global rules and regulations and the ESG considerations embedded within them, while specifically incorporating location-specific guidelines, in support of a sound risk culture. Group wide remuneration decisions include assessments of financial-, market-, legal-, risk-, and compliance-related metrics to ensure remuneration properly reflects both, internal and external factors.

3.3 Policy applicable to Identified Staff

3.3.1 Identified Staff

This paragraph of the Policy provides additional details and specific requirements on the remuneration of persons whose professional activities have a material impact on MCE's risk profile, individually identified by MCE as "material risk takers" or "Identified Staff". Insofar as the Identified Staff are Staff Members, the present section defines additional requirements on top of the "Remuneration Policy applicable to all Staff Members" as defined under section 3.2 also applicable to them.

The Internal Directors shall exercise their directorship as employees of Mirabaud Group or as Staff Members of MCE. They will receive no specific remuneration for their directorship. Their remuneration will be governed by their respective employment relationship and depends on the remuneration policy of Mirabaud Group or MCE, as applicable.

As the Internal Directors who are not Staff Members of MCE are not remunerated for the exercise of their functions in the Board of Directors by MCE, their remuneration is not in the scope of the CSSF Circulars and the present Policy.

Insofar as applicable, the External Directors shall receive compensation entirely without a variable component. They shall be entitled to the reimbursement of expenses incurred in relation to the exercise of their mandate.

MCE will conduct annually a self-assessment (based on qualitative and quantitative criteria laid down in the Commission Delegated Regulation (EU) No 2021/923) in order to identify all staff whose activities have or may have a material impact on its risk profile; such assessment will be documented.

3.3.2 Performance Criteria for Identified Staff

Qualitative and quantitative criteria used to assess performance and behaviour as basis for variable remuneration are the same as those for all Staff Members. The balance between them depends on the task and responsibilities of each Identified Staff and can be summarised as follows:

[Balance of qualitative and quantitative criteria that are used to assess the individual performance for the Identified Staff]

3.3.3 Approval and communication

The overall basis for the variable remuneration amount and, in particular, the variable remuneration suggested for each Identified Staff Member is set out by Senior Management for the approval of the Board of Directors (with prior involvement of the Supervisory Function) on an annual basis. Where the setting of any variable remuneration amount for the members of Senior

Management is concerned, that remuneration will be decided directly by MCE's Board of Directors (with prior involvement of the Supervisory Function).

Once the basis and the proposals for the variable remuneration amount have been approved by MCE's Board of Directors, the individual variable remuneration amount awarded to the employees concerned will be definitively decided and communicated to the employees concerned.

4 Governance

4.1 Responsibilities of the Board of Directors

The Board of Directors holds the following responsibilities:

- Defining the general principles for remuneration in MCE;
- Approving MCE's Policy as well as any changes made to this Policy, including to the appendixes;
- Ensuring, on a regular basis, that MCE has the appropriate remuneration procedures in place;
- Once a year, monitor compliance with the Policy;
- Approve the remuneration of External Directors;
- Approve the overall annual remuneration budget of MCE and especially the budget allocated to the payment of variable compensation.
- Approve the variable remuneration of the Senior Management members and of the heads of the Control Functions;
- Annual review and confirmation of the adequacy of the Senior Management members' and of the heads of the Control Functions' total remuneration packages;

Also, the Board of Directors adopts and periodically reviews the general principles of the remuneration policy, is responsible for overseeing its implementation and to ensure that the remuneration policies and practices are in line with MCE's overall corporate governance framework, corporate culture, risk appetite and the objective of gender neutrality.

In addition, the Board of Directors has the following responsibilities in relation to the determination of Identified Staff:

- it approves and periodically reviews the identification process (included in Appendix 3);
- it is involved in the design of the self-assessment and ensures that such assessment is properly made;
- it oversees on an on-going basis the identification process;
- it approves any material exemptions and changes to the identification process and monitors their effect;
- it approves or oversees any exclusion of staff (in accordance with article 6(2) of the Commission Delegated Regulation (EU) No 2021/923) where MCE deems that the quantitative criteria for identification are not met).

4.2 Responsibilities of the Executive Board

The Bank's Executive Board is responsible for:

- the implementation of the Policy. As such, it establishes the relevant processes and procedures which it approves in accordance with the overall governance of MCE;
- suggesting amendments of any appendices to this Policy or the Policy itself as and when required;
- preparing the overall annual remuneration budget of MCE;
- the annual review of the adequacy of the Staff Members' remuneration packages;
- ensuring the proper execution of the performance appraisal process;
- the information of the relevant Staff Members about the principles set out in the present Policy as well as about the criteria used to determine their remuneration and the terms governing their appraisal;
- preparing the identification process and the identification process policy of Identified Staff.

4.3 The Control Functions

The Control Functions of MCE, which are independent from the business unit they oversee, are associated with the design and periodic review of the Policy, practices and processes and must in that framework ensure that the latter operate as intended, are compliant with applicable regulations, principles and standards and are consistently implemented within the Mirabaud Group. External experts can be attached to them if necessary after approval by the Senior Management.

The implementation of the Policy is subject, on an annual basis, to internal review by the Control Functions for compliance with policies and procedures as defined by the Board of Directors. The Control Functions shall report on the outcome of this review to the Board of Directors: assessing how the variable remuneration structure affects the risk profile of MCE, Compliance analysing how the remuneration structure affects MCE's compliance with rules and regulations and Internal Audit, with the support of Group Internal Audit if required, validating design and actual implementation of the Policy.

The Control Functions are involved on an on-going basis in the identification process of Identified Staff.

4.4 The human resources function

The human resources function is in charge of keeping the Policy up-to-date, by highlighting any necessary changes to the Senior Management and the Board of Directors, and by contributing to update the Appendices to the Policy if and when necessary.

The Human Resources function is also involved in the process for designating Identified Staff on an on-going basis.

Finally, the Human Resources leads the way with regard to monitoring the achievement of the objective of gender-neutrality and equal-pay.

5 Ratio between fixed and variable remuneration for Identified Staff / overall remuneration / identification

Generally speaking, the variable remuneration amounts will remain significantly lower than the fixed remuneration amounts for all of the employees, including sensitive persons. The variable component will not exceed 100% of the fixed component of the total remuneration for Identified Staff.

However, the shareholders of MCE may approve a higher ratio between the fixed and variable remuneration components, subject to complying with the provisions of Article 38-6 g) ii) of the amended Law of 5 April 1993 on the financial sector and Circular CSSF 15/622, as long as the overall level of the variable component does not exceed 200% of the fixed component of the total remuneration payable to each Identified Staff Member.

Pursuant to Circular CSSF 15/622, any higher ration than 1:1 will be notified to the CSSF, pursuant to the rules laid down in said Circular.

No remuneration amount above €1 million has been provided for. If this were to be the case, however the CSSF would be informed of any remuneration amounts above €1 million.

Four groups of Identified Staff have been identified:

1. The members of Senior Management;
2. The Heads of the Compliance, Risk Management and Internal Audit Functions;
3. The Head of the Credit Officer Function;
4. The portfolio managers.

A list including the names of sensitive persons is kept up-to-date by Senior Management. This list is provided to the Board of Directors on an annual basis. The list of Identified Staff as of 01/01/2023 is attached to this Policy.

6 External communications and publications

MCE will make all of the relevant information regarding its remuneration policy available to any stakeholder. This information will be available from MCE on request.

MCE publishes the information referred to in Article 450 of the CRR, in accordance with the regulations in effect. The relevant information is published as part of MCE’s financial statements.

7 Entry into force

This Regulation was approved by the Board of Directors on 1.3.2023 and enters into force on 01.03.2023. It replaces and supersedes any previous version of this Regulation. It shall be amended as and when required and, in the absence of changes, reconfirmed the latest by.

8 Appendices

8.1 Appendix 1: Assessment for application of the proportionality principle

In view of its size, the nature of its business activities and the services performed under the terms of its authorisation and the low level of prudential risk to which it is exposed, a system based on the principle of proportionality has been adjusted for MCE's various characteristic features and its risk profile.

Basic Risk Assessment

- The Risk Policies of MCE are a binding set of rules and standards for risk management within MCE.
- Risk management is understood to be the systematic process for identifying, evaluating (measurement and assessment) and monitoring (control and reporting) of all relevant and significant internal and external risks as they pertain to MCE.
- The Risk Policies of MCE encompass, in a respective set of regulations, one risk strategy per risk group (financial risks (which include market risks, liquidity risks, credit risks), operational risks, business risks) as well as general rules which provide the basic structure for the individual risk strategies.
- Where the cash management process is concerned, the business undertaken will be strictly limited to investing cash balances in investment instruments and exclusively with top-tier counterparties, primarily central banks. Where the granting of loans is concerned, the business undertaken by MCE will only cover advances on securities guaranteed by portfolios of liquid transferable assets, while using very conservative pledge values and additional margin clauses. It is worth noting that loan commitments will be limited to short maturities and that MCE will only have a very limited authorisation capacity, as the capacity to authorise loans depends on a Mirabaud Group Credit Committee, which is based in Geneva.
- Reputational risks: If the abovementioned risks are not recognised, reasonably steered, managed and monitored, this can – apart from the related financial losses – also result in damaged reputation. MCE therefore views reputational risk not as a stand-alone risk category but rather as the threat of losses from materialised risk types in the other risk categories. Managing reputational risks is incumbent upon the Board of Directors and the Executive Board.
- Through the implementation of the risk policies, the following goals are to be achieved:
    - Protection of MCE's assets: The capability of bearing risk is to be ensured at all times; extremes that threaten the financial health and very existence of MCE are to be avoided.
    - Effective and efficient business management: The risks faced by MCE are to be actively steered, whereby the establishment of an optimal risk/reward relationship is central to all of the related management decisions.
    - Compliance with all applicable laws and regulations, as well as external professional rules and internal standards.
    - Discovery and prevention of errors and irregularities in the processes: The Staff Members in all hierarchical levels are to be informed appropriately about the risk understanding and the risk policies of MCE.

- Assurance that all individuals and corporate bodies are informed in a comprehensive, meaningful and level/time-consistent manner within the scope of regular reporting.

Financial Assessment

Date of assessment	Total non-consolidated balance sheet	Minimum capital requirement	Common Equity Tier 1 captial
31/12/2019	551 295 722	8 700 000	24 056 121
31/12/2020	553 104 341	8 700 000	23 163 639
31/12/2021	619 333 097	8 700 000	27 786 719
31/12/2022	466 515 100	8 700 000	29 558 246

8.2 Appendix 2: List of Identified Staff as of 01/01/2023

Identified staff for the Head Office in Luxembourg:

- Senior Management members, Executive Committee members
- Head of Compliance
- Chief Risk Officer
- Internal Audit
- Portfolio Management
- Credit Officer

For the branches, the identified staff function are: Senior Management members, Portfolio Management, and Compliance.

Branches are located: France, Spain and United Kingdom

8.3 Appendix 3: Matrix of the 2023 (quantitative and qualitative) targets for sensitive functions

8.4 Appendix 4: Quantitative and qualitative criteria to determine Identified Staff

8.4.1 Qualitative criteria

Staff shall be deemed to have a material impact on the institution's risk profile where any of the following qualitative criteria are met:

(1) the staff member is a member of the management body in its management function

(2) the staff member is a member of the management body in its supervisory function

(3) the staff member is a member of the senior management

(4) the staff member has managerial responsibility over the activities of the control functions (i.e. independent risk management function, compliance function or internal audit function)

(5) the staff member heads a material business unit ('a material business unit'), i.e. a business unit as defined in Article 142(1), point (3) of Regulation (EU) No 575/2013 that meets any of the following criteria:

- It has allocated internal capital of at least 2% of the internal capital as referred to in Article 73 of Directive 2013/36/EU, or is otherwise assessed by the institution as having a material impact on the internal capital;
- It is a core business line as defined in Article 2(1), point (36), of Directive 2014/59/EU;

(6) the staff member who heads a subordinated control function in a large institution as defined in Article 4(1), point (146) of Regulation (EU) No 575/2013 and reports to a staff member that heads a control function;
(7) the staff member heads a subordinated business unit in a large institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013 and reports to the head of a material business unit;

(8) the staff member heads a function responsible for legal affairs, the soundness of accounting policies and procedures, finance including taxation and budgeting, performing economic analysis, the prevention of money laundering and terrorist financing, human resources, the development and implementation of the remuneration policy, information technology, information security, performing economic analysis or managing outsourcing arrangements of critical or important functions as referred to in article 30(1) of commission delegated regulation (EU) 2017/565;

(9) the staff member has managerial responsibilities for, or is a voting member of, a committee responsible for the management of a risk category provided for in Articles 79 to 87 of Directive 2013/36/EU;

Articles 79 to 87 refer to the following risk categories:

- Article 79 - Credit and counterparty risk

- Article 80 - Residual risk
- Article 81 - Concentration risk
- Article 82 - Securitisation risk
- Article 83 - Market risk
- Article 84 - Interest risk arising from non-trading book activities
- Article 85 - Operational risk
- Article 86 - Liquidity risk
- Article 87 - Risk of excessive leverage

(10) with regard to credit risk exposures of a nominal amount per transaction which represents 0.5 % of the institution's Common Equity Tier 1 capital and is at least EUR 5 million, the staff member:

(a) has authority to take, approve or veto a decision on such credit risk exposures; or

(b) is a voting member of a committee which has authority to take the decisions referred to in point (a);

(11) in relation to an institution to which the derogation for small trading book business provided for in Article 94 of Regulation (EU) No 575/2013 does not apply, the staff member:

(a) has authority to take, approve or veto a decision on transactions on the trading book which in aggregate meet one of the following thresholds:

(i) where the standardised approach is used, an own funds requirement for market risks which represents 0.5 % or more of the institution's Common Equity Tier 1 capital; or

(ii) where an internal model-based approach is approved for regulatory purposes, 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval); or

(b) is a voting member of a committee which has authority to take decisions set out in point (a);

(12) the staff member has managerial responsibility for a group of staff members who have individual authorities to commit the institution to transactions and either of the following conditions is met:

(a) the sum of those authorities equals or exceeds a threshold set out in point 10(a) or point 11(a)(i);

(b) where an internal model-based approach is approved for regulatory purposes those authorities amount to 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one- tailed confidence interval). Where the institution does not calculate a value-at-risk at the level of that staff member the value-at-risk limits of staff under the management of this staff member shall be added up;

(13) with regard to decisions to approve or veto the introduction of new products, the staff member:

(a) has the authority to take such decisions; or

(b) is a member of a committee which has authority to take such decisions;

(14) the staff member has managerial responsibility for a staff member who meets one of the criteria set out in points (1) to (14).

8.4.2 Quantitative criteria

Unless exemptions can apply because the staff member does not perform the professional activity within a material business unit or because the activity is of a kind that does not have a significant impact on the relevant business unit's risk profile:

(a) In the preceding financial year, the staff member has been awarded a total remuneration of ≥ € 500 000 and equal to or greater than the average remuneration awarded to the members of the Board of Directors and authorized management;

(b) In the preceding financial year, the staff member has been awarded a total remuneration of ≥ € 750 000; or

(c) In the preceding financial year, the staff member was, in an entity of at least 1,000 members of staff, within the 0.3 % of the number of staff (rounded up to the next integer) who have been awarded the highest total remuneration.