

Final Version dated 29 November 2024

REMUNERATION POLICY

1. BACKGROUND AND PURPOSE

- 1.1 The board of directors (in Danish: *Bestyrelse*) ("**Board of Directors**") of Fondsmæglerselskab Hafnium Investment A/S ("**Hafnium Investment**") has adopted this policy on remuneration (the "**Policy**") in accordance with Section 107 of the IF Act (as defined in paragraph 2.8 of this Policy), Section 5 of the Executive Order (as defined in paragraph 2.6 of this Policy) and ESMA Guidelines Order (as defined in paragraph 2.5 of this Policy).
- 1.2 The purpose of this Policy is to offer competitive remuneration by offering an appropriate balance between fixed and variable remuneration, taking into consideration applicable law.
- 1.3 Hafnium Investment promotes sound and effective risk management that does not encourage excessive risk taking proportionate to Hafnium Investment's size, nature and complexity of the business activities.
- 1.4 As Hafnium Investment recognises that each employee does contribute to the achievement of Hafnium Investment's overall strategy, hence plays a role in the reaching of its sustainability goals, the aim of this Policy is in accordance with Article 5 of SFDR to be consistent with Hafnium Investment's integration of Sustainability Risks. Hafnium Investment's remuneration policy seeks to ensure that both fixed and variable remuneration promote effective risk management while not encouraging excessive risk-taking. The policy provides guidelines to identify, measure, manage, and control risks related to remuneration systems, ensuring alignment with the company's overall risk management framework. Employees are encouraged to incorporate ESG-thinking into relevant parts of the investment process and to seek innovative ways to improve the management of sustainability risks and adverse impacts. Hafnium Investment fosters a culture where identifying and mitigating sustainability risks, as well as contributing to ESG-aligned initiatives, are seen as integral to the company's strategy and operational goals.
- 1.5 Hafnium Investment uses an overall career model to determine career paths and lay down certain principles for remuneration within the framework of this Policy and has as its objective to pay a market-based remuneration corresponding to qualifications to ensure that it is able to attract, retain and motivate highly skilled staff in order to produce long-term value creation for the investors in the Fund.
- 1.6 This Policy applies to:
- i. all members of the Board of Directors;
 - ii. all members of the Management Board (as defined in paragraph 2.9 of this Policy);
 - iii. Risk Takers (as defined in paragraph 2.10 of this Policy); and
 - iv. Control Functions (as defined in paragraph 2.4 of this Policy).
- 1.7 This Policy is accessible to the persons listed in paragraph 1.6 of this Policy. Hafnium Investment will ensure that the information regarding this Policy disclosed internally to other employees reveals at least the details which are disclosed externally.
- 1.8 The Board of Directors monitors the remuneration of the Management Board (and the Risk Takers).
- 1.9 Inquiries concerning this Policy may be directed to the Management Board or to the compliance function of Hafnium Investment.

2. DEFINITIONS

In this Policy, in addition to the definitions set forth in paragraph 1 of this Policy, and unless the context otherwise requires, the following capitalised words and expressions have the following meanings:

- 2.1 "AGM" means the annual general meeting of Hafnium Investment.
- 2.2 "Board of Directors" means the board of directors (in Danish: *bestyrelse*) of Hafnium Investment, from time to time.
- 2.3 "Bonus" means e.g., a performance-related or discretionary bonus irrespective of the basis of establishment.
- 2.4 "Control Functions" means employees (other than the Management Board) responsible for risk management, compliance, internal audit and similar functions.
- 2.5 "ESMA Guidelines" means the guidelines of the European Securities and Markets Authority (ESMA/2023/606) certain aspects of the MIFID II remuneration requirements
- 2.6 "Executive Order" means the Danish Executive Order no. 1242 of 10 June 2021 on remuneration policy and remuneration in credit institutions, mortgage credit institutions, investment firms, investment management companies, investment associations and certain holding companies.
- 2.7 "Fund" means Hafnium Investment Fund, a sub-fund of Ardesia, a Reserved Alternative Investment Fund (RAIF) managed by the Management Company Ardesia General Partner Sarl and established under the laws of Luxembourg and whose registered office is at 46A Avenue J.F.Kenedy, L-1855, Luxembourg.
- 2.8 "IF Act" means Danish Consolidated Act No. 232 of 1 March 2024 on Investment Firms and Investment service and activities (in Danish: *Lov om Fondsmæglerselskaber og investeringservice og -aktiviteter*), as amended and as to be further amended, supplemented, and/or restated from time to time, transposing the MiFID II into the laws of Denmark.
- 2.9 "Management Board" means the management board (in Danish: *Direktion*) of Hafnium Investment.
- 2.10 "Risk Takers" means the persons listed in [appendix 1](#) to this Policy, which covers employees whose activities have a material impact on the risk profile of Hafnium Investment or on the risk profile of the Fund, including:
- employees who participate in the management of Hafnium Investment, including partners,
 - the management of the portfolio management function, including employees who have significant decision-making powers in relation to the acquisition and divestment of assets of the Fund,
 - employees responsible for heading administration, marketing and human resources,
 - the management of the organisation which invests Hafnium Investment's or the Fund's own funds,
 - employees who, through financial instruments and for Hafnium Investment's own funds, may take a significant risk on behalf of Hafnium Investment or the Fund,
 - the head of the risk and compliance function,
 - employees who may expose Hafnium Investment or the Fund to significant credit risk,
 - employees who receive a total remuneration of EUR 500,000 or more (fixed and variable salary combined) during the previous financial year, and/or
 - employees who are among the 0.3 per cent of Hafnium Investment's employees who received the highest remuneration during the previous financial year.

- 2.11 "SFDR" means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- 2.12 "Sustainability Risks" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

3. GENERAL

- 3.1 The level of the remuneration is set out in each employee's individual employment contract. Hafnium Investment has an internal salary structure with different titles containing several levels, which for each individual employee is agreed upon at employment and subsequently negotiated annually.
- 3.2 An employee's remuneration may include one or more of the following components:
- i. A fixed salary which reflects the employee's organisational responsibilities, professional experience, individual performance, and skills and which takes market conditions into account.
 - ii. A variable salary, including Bonus.
 - iii. Special types of compensation (e.g. sign-on bonus or other remuneration from a portfolio company).
 - iv. Other market-consistent benefits awarded on the basis of the employee's specific situation and market practice.
- 3.3 Pursuant to Section 108 of the IF Act, Hafnium Investment must generally ensure that the remuneration of its employees is not in conflict with Hafnium Investment's obligation to act in the best interests of the customers of Hafnium Investment, including Hafnium Investment's obligations to perform its business in accordance with honest business practices and good practice within the business area.
- 3.4 Pursuant to Section 109(5) of the IF Act, Hafnium Investment shall ensure that employees who receive variable remuneration must repay all or part of the variable remuneration if the variable remuneration was paid on the basis of performance information that can be shown to be misstated and if the recipient is acting in bad faith.

4. RISK TAKERS

- 4.1 Risk Takers are identified by the Board of Directors having regard to the size and internal organisation of Hafnium Investment and the scope and complexity of the business activities.
- 4.2 Risk Takers are listed in the [appendix 1](#) as amended from time to time.
- 4.3 The Board of Directors will review the methodology for identifying Risk Takers on an annual basis.

5. REMUNERATION COMMITTEE

- 5.1 As a small and non-interconnected investment firm, Hafnium Investment has decided not to establish a remuneration committee, pursuant to Section 111(2) of the IF Act.
- 5.2 The Board of Directors will reconsider the decision not to establish a remuneration committee at least annually.

6. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors of Hafnium Investment will not be receiving any fixed or variable remuneration.

7. REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

The members of the Management Board will be remunerated as per their employment contracts, the terms of which reflect market terms.

8. VARIABLE REMUNERATION

- 8.1 Variable components of total remuneration are appropriately balanced, and the fixed component allows the operation of a fully flexible policy on variable remuneration components.
- 8.2 Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or Fund concerned and of the overall results of Hafnium Investment, and when assessing individual performance, financial as well as non-financial criteria are considered.
- 8.3 An employee, who does not meet the criteria of the persons listed in paragraph 1.6 of this Policy, may receive variable remuneration without restrictions.
- 8.4 Variable remuneration may be a part of the compensation for the persons listed in paragraph 1.6 of this Policy (except for the Board of Directors).
- 8.5 If Control Functions are paid variable remuneration, it should be based on function-specific objectives and should not be determined solely by the performance criteria, and the remuneration structure of Control Functions should not compromise their independence or create conflicts of interest.
- 8.6 Pursuant to Section 109(1), no.4, at least 50 per cent of a variable remuneration component must, at the time of calculation of the variable remuneration, consist of a balance of shares or equivalent ownership interests, equity-like instruments or equivalent non-equity instruments that reflect the instruments in the managed portfolios.
- 8.7 A minimum of 40 per cent of the variable remuneration is required to be deferred over a minimum of a four (4) -year period (for a member of the Management board five (5)-year period) starting 1 year after the calculation date with an equal distribution over the years or with an increasing share at the end of the period. In the case of a variable remuneration component of a particularly high amount, at least 60 per cent of the amount is deferred.
- 8.8 Hafnium Investment shall ensure that shares and instruments etc. transferred as part of the variable remuneration as referred to in paragraph 8.6 of this Policy may not be disposed of by the recipients for an appropriate period. Also, the recipients are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance.
- 8.9 Hafnium Investment shall ensure that payment of the deferred variable remuneration paid in accordance with paragraph 8.7 of this Policy is subject to the following:
- The criteria that have formed the basis for the calculation of the variable remuneration components are still met at the time of payment.
 - The recipient of the payment has complied with the requirements of fitness and propriety and has not engaged in or been responsible for behaviour that has resulted in significant losses for Hafnium Investment.
 - Hafnium Investment's financial situation has not significantly deteriorated compared to the time of calculation of the variable remuneration component.

8.10 Hafnium Investment may decide not to pay out variable remuneration, wholly or partly, if Hafnium Investment does not fulfil the capital requirements at the time of pay-out, or if, in the Danish FSA's assessment, there is an obvious risk of such non-fulfilment pursuant to Section 109((1), no. 6, of the IF Act. Therefore, Hafnium Investment will consider whether payment is sustainable considering the financial situation for Hafnium Investment as a whole. Generally, payment does not require Hafnium Investment to obtain pre-approval of such payment from Danish FSA.

8.11 Management Board

8.11.1 Variable remuneration to members of the Management Board may at time of calculation not exceed 50 per cent of the fixed remuneration including pension (if any).

8.11.2 For a member of the Management Board, options relating to shares or similar instruments may not exceed 12.5 per cent of the fixed remuneration including pension (if any) at the time of calculation.

8.11.3 At present, members of the Management Board are not expected to receive variable remuneration.

8.12 Risk Takers

8.12.1 Variable remuneration to Risk Takers may at the time of calculation not exceed 100 per cent of the fixed remuneration including pension (if any).

8.12.2 Notwithstanding paragraph 8.12.1 of this Policy, variable remuneration to Risk Takers may amount to up to 200 per cent of the fixed remuneration including pension (if any), provided that all following criteria are met:

- a) Hafnium Investment must inform the shareholders of Hafnium Investment that it wishes the use of a higher maximum amount at the latest at the same time as the AGM notice.
- b) The Board of Directors shall make the decision to use a higher maximum based on a detailed recommendation from Hafnium Investment justifying the recommendation and containing at least information on the number of employees affected, their areas of work, the proposed new maximum and the expected impact on Hafnium Investment's ability to maintain a sound capital base. The shareholders shall receive the recommendation at the latest at the same time as the AGM notice.
- c) Hafnium Investment must, at the latest at the same time as it communicates the recommendation to the shareholders referred to in point (b), inform the Danish FSA of the recommendation to the shareholders, including the proposed higher maximum amount and the reasons for the recommendation. At the request of the Danish FSA, Hafnium Investment shall demonstrate that the proposed higher maximum amount does not conflict with Hafnium Investment's obligations under applicable law, particularly the capital requirements.
- d) The decision to use a higher maximum amount must be approved by the AGM with at least 66 per cent. of the votes cast, provided that at least 50 per cent. of the voting shares are represented at the AGM. If less than 50 per cent of the voting rights are represented at the AGM, the resolution shall require at least 75 per cent of the votes cast. An employee who is a shareholder of Hafnium Investment may not vote if the employee has a significant interest in the resolution which may conflict with the interests of Hafnium Investment.
- e) Hafnium Investment must inform the Danish FSA of the decision of the AGM, including the amount of any higher maximum amount decided, within eight (8) days of the meeting of the AGM.

9. PENSION

Hafnium Investment does not offer a collective company pension scheme.

10. SPECIAL TYPES OF COMPENSATION

10.1 Severance payment

Hafnium Investment does not offer severance payments.

10.2 Sign-on bonus

10.2.1 In special cases, a sign-on bonus may be granted to new employees on recruitment.

10.2.2 Sign-on bonuses will be determined within the framework of the IF Act and the Executive Order and will be restricted to the first year of employment.

11. REMUNERATION REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

11.1 The chairman of the Board of Directors must, in his report to the AGM, give an account of any remuneration of Hafnium Investment's Board of Directors and Management Board. The report shall include information on the remuneration in the current and next financial year. The chairman of the Board of Directors shall explain and justify the content of the remuneration policy and compliance with it in his report to the AGM.

11.2 Any remuneration of the Board of Directors must be approved by the AGM for the current financial year.

12. REMUNERATION REPORT

12.1 The Board of Directors must annually prepare and publish a remuneration report.

12.2 The remuneration report shall include the following:

- Information on the total remuneration earned by each member of the Board of Directors and the Management Board as part of their duties from the company and other companies within the same group over the past three years, including information on the main content of retention and severance programs (if any).
- An explanation of the link between executive remuneration and the organisation's strategy and relevant targets.

12.3 As soon as possible after conducting the AGM, the remuneration report shall be published on Hafnium Investment's website. The remuneration report shall remain publicly available on the website for a period of 10 years. The remuneration report may be available for a longer period than 10 years if it no longer contains personal data.

12.4 The disclosure requirements only apply to the remuneration that a management members has earned as part of their duties as either a member of the Board of Directors or a member of the Management Board in Hafnium Investment or other companies within the group.

13. DISCLOSURE

This Policy will be published on Hafnium Investment's website as soon as possible after approval from the Danish FSA is obtained. This Policy shall remain publicly available on the website for as long as it is valid.

14. REVIEW AND UPDATE

- 14.1 This Policy must be approved by the AGM at any significant change to the Policy and at least every four years.
- 14.2 The Board of Directors ensures that compliance with this Policy is verified and reported to the Board of Directors at least once a year. Any instances of non-compliance or areas where remedial action or improvements are required that are identified will be brought to the attention of the Board for a determination of the appropriate action to be taken.
- 14.3 Following a review and amendments, the Policy must be presented at the AGM for approval.

LOG OF AMENDMENTS TO PROCEDURE		
Version	Effective date	Description of amendment

As adopted at the meeting of the Management Board on 29 November, 2024.

APPENDIX 1 - RISK TAKERS

Victor Brassart, Chief Investment Officer
Alexis Dubois, Chief Executive Officer