



Remuneration Policy

Mandatum Fund Management S.A.

30 December 2025



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1 PURPOSE, SCOPE AND OBJECTIVES OF THE POLICY

This Remuneration Policy is part of Mandatum Fund Management SA's (the "IFM") processes for identifying, measuring, controlling and internally reporting risks the IFM is associated with.

The Remuneration Principles of the Mandatum Group, which the IFM is part of, together with Mandatum Asset Management Group's appendix to the Remuneration Principles and this Remuneration Policy state the basis and principles for remuneration applicable to the IFM.

This Remuneration Policy includes the provisions of both the European Union's and the Grand-Duchy of Luxembourg's regulatory requirements relating to remuneration and corporate governance.

The Remuneration Policy is based *inter alia* on the principles that the remuneration structure should not encourage excessive risk-taking and that the remuneration of individual employees should not be in conflict with the IFM's long-term interests or inconsistent with the risk profile, rules or instruments of incorporation of the UCITS managed by the IFM.

Moreover, this Remuneration Policy is consistent with the business strategy, objectives, values and interests of the IFM and the UCITS managed by the IFM or the interests of investors of this UCITS and includes measures to avoid conflicts of interest.

The Remuneration Policy is binding and applies to remuneration of any type paid to all employees in the IFM.

The Remuneration Policy is adopted by the Board.

The Conducting Officers are responsible for the implementation of the Remuneration Policy under the supervision of the Board.

The IFM and Mandatum Group maintains a remuneration policy which is consistent with, and promotes, sound and effective risk management. The IFM do not promote risk taking which is inconsistent with the risk profile of the investment products that it manages. Mandatum Group has acknowledged that integration of sustainability risks as well as considering adverse sustainability impacts of its own operations are critical for the long-term success of Mandatum Group. Therefore, the remuneration structure includes measures to ensure that the integration of sustainability risks and adverse sustainability impacts are taken into account in the remuneration of relevant employees.

2 DEFINITIONS

The following specific terms are used in this Remuneration Policy:

- Board: the board of directors of the IFM.
- Conducting Officers: the conducting officers of the IFM who have been entrusted with the day-to-day management of the IFM.
- Control functions: The Internal Auditor¹, the Risk Management Officer² and the Compliance Officer³.

¹ The internal audit function is delegated to the internal auditor of Mandatum Group.

² One Conducting Officer also acts as Risk Management Officer.

³ One Conducting Officer also acts as Compliance Officer.

- CSSF Circulars: CSSF Circular 18/698 (as may be amended, supplemented or replaced) on authorisation and organisation of investment managers incorporated under Luxembourg law and specific provision on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent ("**CSSF circular 18/698**").and Circular CSSF 10/437 on guidelines concerning the remuneration policies in the financial sector.
- CSSF: the Luxembourg supervisory entity of the financial sector, the *Commission de Surveillance du Secteur Financier*.
- ESMA Guidelines: ESMA Guidelines 2016/575 on sound remuneration policies under the UCITS Directive and AIFMD of 31 March 2016 (the "ESMA Guidelines").
- IFM: Mandatum Fund Management S.A.
- Mandatum Group: Mandatum plc and its subsidiaries
- Remuneration: What is paid, directly or indirectly to the employees of the IFM (fixed salary, other cash payments, any form of variable remuneration paid in cash, the form of equity or equity-related instruments, provisions for pensions, severance pay, company cars and similar individually negotiated benefits).
- Remuneration Policy: this remuneration policy.
- Risk takers: Persons whose remuneration is in the same bracket as the Conducting Officers' remuneration or who may engage the IFM's money by entering into trades on the IFM's behalf.
- Staff: Includes all people involved in the day-to-day operations who are not Conducting Officers.
- SFDR: 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.
- Taxonomy: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
- UCI Law: the Luxembourg law dated 17 December 2010 concerning undertakings for collective investment, as amended.
- UCITS Directive: Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended.
- UCITS management company: a management company subject to chapter 15 of the UCI Law.
- UCITS: undertakings for collective investment in transferable securities authorised pursuant to the UCITS Directive.
- Variable remuneration: A part of the remuneration that is not determined in advance as to its scope and size and that usually is dependent on performance.

3 GUIDING DOCUMENTS

The remuneration structure of the IFM is based on the Remuneration Principles of the Mandatum Group, which have been adopted by the Board, and on the provisions of the UCI Law, the ESMA Guidelines as well as the CSSF Circulars.

4 PRINCIPLE OF PROPORTIONALITY

The IFM has taken into consideration the principle of proportionality in the sense that the IFM, as a UCITS management company shall comply with the principles stated in the UCI Law, the ESMA Guidelines and the CSSF Circulars, in a way and to the extent, that it is appropriate to its size, internal organization, nature, scope and complexity of its activities.

Considering more specifically:

1. The size of the IFM and of the assets under management:

- The IFM manages one UCITS umbrella with 5 sub-funds, with total assets under management of approximately EUR 2,643,000,000 as of 31 December 2024;
- As of 31 December 2024, The IFM had four full time employees, all Luxembourg residents, which consist of three conducting officers and one staff member;
- No branches or subsidiaries are existing or envisaged.

2. The nature, scope and complexity of activities:

- The IFM is authorised to perform portfolio management, risk management, administration, marketing and other activities related to assets of UCITS, but not discretionary portfolio management or other additional services;

3. The internal organisation of the IFM, which is that of a public limited liability company (*société anonyme*);

4. The delegation of activities

- The IFM delegates the portfolio management function to Mandatum Asset Management Ltd, being a company incorporated in Finland, registered with and subject to the supervision of the Finnish Financial Supervision Authority (Fi. Finanssivalvonta).

The IFM is of the opinion that given the actual size, complexity and risk profile, it would be appropriate to make use of the principle of proportionality as regards the following requirements regarding remuneration:

- payment of variable remuneration in non-cash instruments and retention period;
- deferral and ex-post incorporation of risk for variable remuneration;
- requirement to establish a remuneration committee.

5 BENEFICIARIES

5.1 Board members

The IFM pays no remuneration to the members of the Board except for non-Group directors and will pay no remuneration to members of the Board, if any, who are also Conducting Officers.

5.2 Conducting Officers

The remuneration of the Conducting Officers is acknowledged by the Board upon the commencement of their duties and formalized in the employment agreement. Conducting Officers who are also members of the Board, if any, are prohibited from attending the discussion, handling and deciding on the Conducting Officers' remuneration.

5.3 Control functions

The remuneration paid to the Control functions is determined by the Board based on the achievements and objectives of their functions and independently from the performance of the specific business area they support, therefore helping to prevent any potential conflicts of interest.

5.4 Identified staff

The IFM's executive and non-executive Board members, senior management, Control functions, staff responsible for heading the investment management, administration, marketing, human resources and other Risk takers, shall be included in the definition of identified staff, unless they have no material impact on the IFM's risk profile or on a UCITS it manages.

5.5 Risk takers

No Risk takers have been identified.

5.6 Staff

The remuneration of the Staff is determined by the Conducting Officers under the supervision of the Board.

5.7 Remuneration Committee

By virtue of the principle of proportionality, the IFM does not have a remuneration committee.

6 SPECIAL RULES ON REMUNERATION

6.1 Fixed remuneration

Fixed remuneration affects the IFM's financial stability. Therefore, a prudent setting of salary levels is crucial. The IFM's fixed salaries shall be fair and competitive and be based on demands and responsibility of the job, as well as the employee's professional competence, experience, and performance.

Mandatum Group is committed to gender pay equality and applies the principles of equal pay, meaning that equal pay must be provided for the same or equivalent work regardless of gender.

However, pay differences may exist on gender-neutral, objective, and impartial grounds, such as performance.

When determining the fixed salary, the total remuneration for the job (fixed remuneration and variable remuneration) is also taken into account. If an employee's total remuneration includes variable remuneration, there must be an appropriate balance between fixed and variable remuneration.

6.2 Variable remuneration

Variable remuneration systems shall be designed to create financial stability and value for the IFM. Variable remuneration is furthermore an important tool in order to ensure that remuneration packages offered to employees are in line with conditions on the market and to make it possible to differentiate remuneration between employees based on performance. Variable remuneration program is determined at the Group level for all entities and is defined annually.

The following general principles are applied to variable remuneration:

- Variable remuneration shall encourage long-term value creation and be based on a well-balanced risk horizon;
- Variable remuneration shall be designed in a way that excessive risk-taking is avoided;
- In the setting of targets, targets that by their nature seek to balance risk should primarily be used.
- For employees working in the key control functions, the variable component of remuneration must be independent of the results of the operational units and areas under their supervision and may therefore be based solely on individual or team objectives.
- The annual total amount of variable remuneration shall not be so high that it threatens the company's ability to maintain an adequate capital base;
- Programs for variable remuneration shall always include triggers and caps on the payment of variable remuneration as well as malus and clawback conditions;
- All variable remuneration guidelines and all target documentation on variable remuneration shall include a clause that gives the Board or the person the Board determines, the right to determine the variable remuneration to zero (0) if it is necessary due to the IFM's financial situation or a staff member's actions;
- When the variable remuneration of an individual employee is determined, also qualitative criteria like the requirement that the employee follows internal and external rules for the business should be taken into account. Evaluation of targets should be conducted continuously and the grandfather principle always applies.

Variable remuneration shall be paid in accordance with the terms and conditions of the incentive program concerned. Deferral rules stated in 6.5 apply to the variable remuneration paid to the identified staff.

Variable remuneration shall not be paid through vehicles or methods that facilitate the avoidance of the requirements of the UCI Law.

6.3 Balance between fixed and variable remuneration

If an employee's remuneration includes a variable component, there shall be an appropriate balance between the fixed and variable parts as determined in the Mandatum Group's Remuneration Principles or its company-specific appendix.

6.4 Limitations on variable remuneration

Remuneration in the form of "sign-on bonus" is not allowed, unless otherwise decided by the Board. Sign-on bonus can be paid only by the decision of the Board when a new employee is hired from a company outside Mandatum Group and shall concern the first year of employment.

Remuneration in the form of so-called "stay-on bonus" is not allowed.

Discretionary rewards may be paid in accordance with Mandatum Group's Remuneration Principles.

An executive severance package may be awarded to employees leaving the IFM for their performance achieved over time only where it is ensured that such variable remuneration does not reward failure of any kind. Mandatum Group's HR has established specific guidance to govern such cases, ensuring that all executive severance packages are aligned with its remuneration policies and regulatory requirements.

Deferred payment or loss of variable remuneration

The rules in this paragraph shall also apply to payments during the period of notice or after the employment has ended due to resignation or retirement or in case of death of the employee.

For any employee who receives variable remuneration, at least 40 per cent of the variable remuneration shall be deferred for three years if that employee has a maximum variable remuneration exceeding 50 % of the yearly fixed salary and realised variable remuneration exceeds 50.000 euros. The same shall apply to the time of the final purchase of shares, share options or other equity instruments, if these are part of the variable remuneration.

The right to deferred remuneration is not waived only because the employment in the IFM ceases. However, if an employee resigns or is dismissed due to negligence of duties or other reasons attributable to the person himself/herself, any deferred variable remuneration related to the negligence of duties shall not be paid.

6.5 Hedging strategies

The employees of the IFM may not use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. The Conducting Officers shall be responsible to monitor the use of such strategies by all employees entitled to variable remuneration.

6.6 Pension policy

The pension policy, forming part of this Remuneration Policy, is in line with the business strategy, objectives, values and long-term interests of the IFM and UCITS that it manages.

An occupational pension may be granted for each employee of the IFM in line with the Mandatum Group Remuneration Principles. The occupational pension is sought from the Luxembourgish pension provider and shall always be in line with the local regulation in

Luxembourg. Condition of the pension scheme are defined in the rules of the scheme currently in force.

7 GOVERNANCE

7.1 Board

The Board shall decide on:

- the remuneration of the Conducting Officers;
- the forms of variable remuneration that shall be offered in a given year;
- the payment and deferral of variable remuneration for the past performance period/s;
- whether deferred variable remuneration shall be paid after the deferral period;
- the list of identified staff; and
- the payment of sign-on bonus.

The Board may in respect of deferred variable remuneration decide:

- to cancel the remuneration in whole or in part if it later turns out that the employee, unit or company performance has not met the performance criteria, and
- to cancel the payment in whole or in part or to further defer it if the IFM's financial position deteriorates significantly.

In its pay-out decisions, the Board shall be guided by the corresponding decisions made by the Mandatum plc' Board of Directors or Mandatum Asset Management's Board of Directors. The Mandatum plc' Board of Directors shall furthermore annually decide on maximum payouts of variable remuneration for the Mandatum Group.

The Head of Human Resources in Mandatum Group shall have the mandate to issue business instructions and separate remuneration rules to direct the implementation of this Policy and shall be responsible for determining detailed remuneration guidelines for each year in accordance with this Policy and the Mandatum Group's Remuneration Principles.

8 REPORTING, MONITORING AND CONTROL

8.1 Reporting

The Conducting Officers shall report to the Board annually on the fulfilment of the conditions for pay-out from variable remuneration programs, the pay-out amounts from the programs and on any deviations from this Remuneration Policy.

8.2 Monitoring and control

In accordance with applicable regulatory provisions, the review of the implementation of this Remuneration Policy falls within the scope of the third level controls made by the Internal Auditor and the Compliance Officer of the IFM at least on an annual basis. The control function shall, in the event of major findings, immediately report the results of the audit to the Board and shall, in any event, report all audit results to the Board at least annually. Copies of such reports have to be kept to the disposal of the CSSF.

9 INFORMATION

9.1 Disclosure of information on remuneration

The present Remuneration Policy is at the disposal of the CSSF, the Board, the Conducting Officers, the Internal Auditor and the Compliance Officer of the IFM.

As required by applicable laws and ESMA Guidelines, the full Remuneration Policy is made available on <https://www.mandatumam.com/ucits>. A summary is included in the prospectus, and a paper copy can be obtained free of charge upon request.

9.2 Information to employees

The general principles of the Remuneration Policy shall be available to the employees of the IFM. The employees should be informed about the remuneration criteria and the appraisal process.

Employees are responsible for complying with internal rules, policies and guidelines, as well as laws and regulations. Line managers and directors ensure that these are properly implemented in their area of responsibility. All violations must be reported to the human resource unit.

10 UPDATE AND APPROVAL

The Remuneration Policy shall be reviewed **at least annually** and whenever necessary to reflect regulatory changes or significant organizational developments. The review and approval process shall follow this governance sequence:

1. Initial Review

The Conducting Officer responsible for HR, in collaboration with Mandatum Group HR, performs the initial review and proposes any necessary updates.

2. Compliance and Risk Review

IFM's Compliance and Risk Officers review the policy to ensure alignment with applicable regulations and confirm the independence of control functions.

3. Executive Committee Endorsement

The Executive Committee reviews and endorses the updated policy, acknowledging its consistency with the firm's strategic objectives and risk framework.

4. Board Approval

The policy is presented to the Board of Directors for approval. The Board retains ultimate responsibility for the policy and its implementation.



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