



REMUNERATION POLICY

Resscapital AB

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1 DEFINITIONS

In this policy, terms and designations shall have the following meaning.

Employees in senior strategic positions: Employees who, in addition to senior management, manage and are responsible for the day-to-day operations of the company, such as employees responsible for portfolio management, administration, or marketing.

Remuneration: All benefits and benefits from the company (including special profit share) as well as all amounts paid directly by the company to an employee. Remuneration and benefits from the company include, for example, cash salary and other cash remuneration, remuneration in the form of units or shares in a unit trust or an alternative investment fund, or an instrument that achieves the same community of interests as units or shares in an alternative investment fund, pension provisions, severance pay or car benefits.

Control Function: A company's function or functions for risk control, valuation, compliance, and internal audit or equivalent.

Risk taker: An employee belonging to a category of staff who can exercise significant influence over the risk profile of an undertaking or managed alternative investment fund.

Specially regulated staff: Senior management and employees in the following categories of staff whom the company has identified as specially regulated staff:

- a) employees in senior strategic positions,
- b) employees responsible for control functions,
- c) risk takers, and
- d) employees whose total remuneration amounts to, or exceeds, the total remuneration of any of the senior management.

Variable remuneration: Remuneration not predetermined in amount. Variable remuneration does not include commission-based salary that is unrelated to future risk commitments that may change the income or balance sheet of the company or an alternative investment fund.

Managing directors: The Managing director and his deputy.

2 INTRODUCTION AND PURPOSE

Resscapital AB (the "Company") is regulated by the Swedish Financial Supervisory Authority as an Alternative Investment Fund Manager. Chapter 3. Section 22 and Chapter 9. Section 3 – 25 of the Swedish Financial Supervisory Authority's regulations on alternative investment fund managers (FFFS 2013:10) states that the Company shall have a remuneration policy. According to the regulations, the Company shall have a documented remuneration policy that is consistent with and promotes sound and efficient risk management. The remuneration policy shall counteract a risk-taking that is incompatible with the risk profile, fund rules, articles of association or corresponding regulations. The remuneration policy shall be updated and reviewed regularly.

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related information to be provided in the financial services sector "Regulation on sustainability-related disclosure in the financial services sector" further requires the Company to provide information on remuneration schemes. This regulation, popularly known as the "Disclosure Regulation" or "SDFR", requires the Company to publish its disclosure policy on the Company's website. The remuneration policy shall include information on how the policy is consistent with the integration of sustainability risks.

The principles for remuneration at the Company, which are established annually by the Board of Directors in this Remuneration Policy, shall be in accordance with applicable laws and regulations. All remuneration shall be individually determined and set with the aim of being able to recruit and retain competent and skilled employees. The remuneration policy shall promote effective risk management at the Company, which includes the management of sustainability risks. The remuneration policy shall also be consistent with the business strategy, objectives, values and long-term interests of the Company and the managed alternative investment funds or investors in the alternative investment funds, as well as a list of measures to be taken to avoid conflicts of interest.

The company shall further analyse the risks associated with the company's remuneration policy and remuneration system. The Company shall, based on the analysis, identify specially regulated personnel of the Company. An important purpose of this policy is to ensure that the Company complies with the requirements of the above-mentioned regulations. The Company has also considered the content of the guidelines drawn up by ESMA, the European Securities and Markets Authority, published in July 2013.

Against this background, the Company has adopted this Remuneration Policy.

3 POLICY TARGET GROUP

The remuneration policy covers all employees of the Company.

4 BASIC ANALYSIS OF THE RISKS ASSOCIATED WITH THE COMPANY'S REMUNERATION POLICY AND SYSTEM

4.1 Basic analysis of the risks of the compensation scheme

The regulations for alternative investment fund managers and the Disclosure Regulation state that the Company shall analyse the risks associated with the Company's remuneration policy and system. Based on the analysis, the company shall identify specially regulated personnel of the manager.

In the context of the analysis work, the Company shall document and in particular justify whether employees in senior strategic positions, employees responsible for control functions, risk takers, and employees whose total remuneration amounts to, or exceeds, the total remuneration of any of the senior management in any of the personnel categories specified in the regulations are not considered to be materially affected by the company's or managed alternative investment funds' risk profile and therefore shall not be considered to belong to the Company's specially regulated personnel.

It is the responsibility of the company's Managing Director to carry out an analysis and categorization of personnel each year. Based on the analysis the Board of Directors decides which staff shall constitute specially regulated personnel of the Company. If staff are recruited during the year, the Managing Director shall ensure that a review is carried out on whether the new employee is to be included in the group of specially regulated staff and, in case of doubt, submit the matter to the Board of Directors for a decision.

The main risk of a compensation scheme is that due to an asymmetry, with a limited downside for the employee, it creates unwanted incentives and contributes to unwanted risk-taking.

There is a risk that due to its remuneration system, the Company may risk not meeting its capital requirements. The company has capital requirements to comply with in accordance with the law and regulations. The Company must ensure that the Company can maintain sufficient own funds or, if necessary, strengthen own funds before variable remuneration/profit sharing is paid.

4.2 Measures to avoid conflicts of interest

A system that provides a large remuneration to an individual employee who has contributed to good results in the short term, but whose decisions in the longer term can lead to losses for the company, can distort the perspective of employees and can cause them to disregard the company's best interests in the long run.

In addition, incorrect design of remuneration systems and payments of variable remuneration may adversely affect the company's liquidity and result in the company not complying with the requirements of the regulations.

Against this background, it is of the utmost importance for an undertaking to ensure that its remuneration policy and compensation system are compatible with and promote sound and effective risk management. Part of this work is to identify and account for the measures to be taken to avoid conflicts of interest.

5 CONTROL

The Board of Directors shall decide on fixed remuneration to specially regulated personnel and on variable remuneration to all personnel. The Managing Director shall decide on fixed remuneration for staff not members of the circle of specially regulated staff.

The General Meeting shall decide on the remuneration to the Board of Directors. In view of the size of the Company, the size of the funds managed by the Company, the Company's internal organization and the nature, scope and complexity of the business, the Company considers that the Company does not need to form a special remuneration committee.

The Company's compliance function shall at least annually review whether the Company's remuneration system complies with the remuneration policy. The function shall report the results of the audit to the Board of Directors no later than in connection with the annual report. Remuneration policy shall be established annually by the Board of Directors even if no updates have been made. The Company's Board of Directors is responsible for this.

6 COMPENSATION STRUCTURE

The company has decided on a remuneration structure based on three parts:

- Fixed remuneration

- Variable remuneration
- Pensions and other benefits

The remuneration parts are used to achieve a competitive individual remuneration with an appropriate balance between fixed and variable remuneration and between short- and long-term remuneration.

The fixed remuneration is individually adapted and based on predetermined internal and external starting points. The level of fixed remuneration is based on the employee's experience, long-term performance, and behaviour. The fixed remuneration shall be on market terms. Provisions for retirement savings are only dependent on the employees' fixed remuneration.

6.1 Variable remuneration

The company allows variable remuneration. For all employees concerned, the variable remuneration is discretionary and is based, among other things, on the company's results, the measure of risk-taking that generated the result, long-term perspective, and the employee's work performance. The variable remuneration may not exceed the employee's fixed salary.

For variable remuneration exceeding SEK 100,000, for specially regulated personnel, 40-60 percent of the variable remuneration shall be deferred and paid in equal parts per year for the following three years.

The Company has assessed that a three-year horizon for deferral of variable remuneration is appropriate and sufficient based on the Company's risk profile and is also consistent with the Company's forward-looking horizon in forecasting future capital and liquidity needs. The Company also believes that three years is a reasonable horizon to assess the impact of today's risk-taking on the future performance of the funds and provide the opportunity to adjust the decided deferred variable remuneration afterwards.

The part of the variable remuneration that is deferred shall be conditional on the fact that the result on which the variable salary decision was based has not changed retrospectively, that a payment of the remuneration is still justified by the results of the Company and the employee and that the Company's financial position allows for payment of all or part of the amount. The deferred part of the variable remuneration may, if these conditions are not met in whole or in part, fall away.

For variable remuneration that is deferred or variable remuneration that is not deferred, the company shall ensure that at least 50 percent of the variable remuneration to special regulated personnel consists of:

1. shares or shares in the alternative investment fund concerned;
2. instruments achieving the corresponding community of interests as shares or shares in the alternative investment fund concerned.

This applies provided that it does not conflict with the fund regulations, legal structures, articles of association or equivalent regulations under the managed funds and that at least 50 percent of the Company's total managed capital constitutes management in alternative investment funds.

6.2 Sustainability

The Company has integrated sustainability risks into its assessments under this policy and considers it consistent with the integration of sustainability risks into the business. This information has also been published on the Company's website.

When determining both fixed and variable remuneration for employees, consideration shall be given to whether the employee's work and performance have had a positive impact on the Company's sustainability risks. The evaluation of the performance of the employee shall be influenced by both financial and non-financial criteria as well as on qualitative and quantitative measures. The qualitative goals include the Company's overall sustainability goals.

When determining variable salary components, its impact on current and future risks in the Company is considered, including sustainability risks.

Remuneration to the Company's employees shall be in accordance with market conditions and shall be based on the performance performed by the employee in the Company.

In shaping this policy, the Company has considered the conflicts of interest identified by the Company, which are set out in the Company's policy for conflicts of interest. The Company has also included identified sustainability risks and considers that this remuneration policy is consistent with the integration of sustainability risks into the Company's operations in accordance with SDR.