



Remuneration Policy – Waystone Corporate Services (Lux) S.A.

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I. Ownership and version history

Policy Owner	Approver	Version	Date of Current version	Date of previous version	Summary of main changes
RR, HR & Conducting Officers	Board of Directors	1	June 2022	N/A	Set up of a policy at entity level that implements the applicable regulatory requirements for a specialised PSF and Waystone's approach to remuneration aspects
RR, HR & Conducting Officers	Board of Directors	2	December 2022	June 2022	Implementing the recommendation from EY's internal audit report 2021 to ensure full compliance with CSSF Circular 10/437.

II. Introduction

Waystone Corporate Services (Lux) S.A. (hereafter **“Waystone”**), incorporated on 3 September 2013 as a Luxembourg-based public limited company, is a specialised Professional of the Financial Sector (**“PFS”**) defined by the Luxembourg Law of 5 April 1993 on the financial sector, as amended, (**“Law of 1993”**).

As per relevant requirements on remuneration aspects prescribed by the rules set out below, Waystone has adopted relevant internal arrangements as further described in this remuneration policy (the **“Policy”**).

The Policy has been accordingly developed in consideration of relevant legal and regulatory sources, including but not limited to:

- CSSF circular 10/437, Guidelines concerning the remuneration policies in the financial sector;
- CSSF circular 14/585, Transposition of the European Securities Markets Authority's (ESMA) guidelines on the remuneration policies and practices;
- Commission Recommendation 2009/384/EC of 30 April 2009 on the remuneration policies in the financial sector.

The objective of the Policy is to:

- ensure that Waystone's remuneration structure is in line with the business strategy, objectives, values and long-interests of Waystone acting as PFS;
- not encourage risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of Waystone's clients;
- ensure consistency with and promotion of sound and effective risk management to avoid excessive risk taking, including sustainability risk aspects;
- avoid or manage conflicts of interest.

The board of directors of Waystone (the "**Board**"), is responsible for assessing the proportionality of the remuneration principles applied within Waystone.

III. Scope

This Policy applies to the following persons having a material impact on Waystone and its clients:

- The conducting officers of Waystone.
- Waystone staff members whose professional activity carried out individually or within a group such as a department or a division of a department is or is likely to have a material impact on the risk profile of Waystone or of its clients, e.g. the sales and marketing functions.
- Waystone staff members who carry out independent control functions, e.g. functions of compliance and risk management.

The members of the Board are out of scope as their remuneration is either fixed or they are not remunerated for their function as board member.

Appendix A lists the roles within Waystone, which are in scope of this Policy.

IV. Variable elements of remuneration at Waystone

The variable component of remuneration should at all times be reasonable compared to the fixed component of the remuneration. Remunerations to be applied shall always provide for appropriate balance between fixed and variable remuneration elements, as well as entitlement to shares or options. It should be in line with the business strategy, objective, value and interest of Waystone. The maximum limit of the variable component of the remuneration does in principle not exceed 100 % of the annual gross salary of the employee. Exceptions may be possible subject to the approval of the Board.

Where a significant bonus is awarded, the main part of the bonus shall be deferred with a minimum deferment period. The amount of the deferred part of the bonus shall be determined in relation to the total amount of the bonus as compared to the total amount of the remuneration.

The deferred element of the bonus shall take into account the outstanding risks associated with the performance to which the bonus relates and may consist of equity, options, cash, or other funds the payment of which is postponed for the duration of the deferment period. The measures of future performance to which the deferred element is linked shall be risk adjusted as set out below.

Waystone does not provide guaranteed variable remuneration, except possibly when hiring a highly qualified new staff (sign-on bonus). In such a case, the Board will set the terms and conditions of such exceptional guaranteed bonus limited to the first year of employment.

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the business unit concerned and the overall results of Waystone.

Waystone defines the financial and non-financial criteria to assess the performance and profile of the individual, including sustainability risk factors criteria.

Therefore, Waystone defines additional risk indicators to assess the sustainability risks regarding variable elements of remuneration. These risk indicators can be quantitative or qualitative and are reflecting the relevant environmental, social and governance aspects as well as principal adverse impacts. The risk indicators are set so that the structure of remuneration does not encourage excessive risk taking with respect to direct or indirect sustainability risks.

Waystone conducts a performance assessment on an annual basis and at group level, it being understood that if need be and only in exceptional cases to be duly justified, the assessment of the performance of a given staff member may be set on a multi-year framework.

The Board shall ensure that Waystone's financial situation will not be adversely affected by (i) the overall pool of variable remuneration that will be awarded and (ii) the amount of variable remuneration that will be paid or vested. In the event Waystone becomes unable to maintain a sound financial situation, it will have an impact on the variable remuneration in order to reduce it.

In case of early termination of the employment contract of a given staff member, payment shall be related to performance achieved over time and designed in a way that does not reward failure. Any payment related to the early termination of an employment contract will be pro-rated to reflect the performance of that individual over time.

Waystone may perform an "ex-post risk adjustment" of the variable remuneration, in presence of certain factors (such as for example but not limited to, evidence of misbehaviour or serious error by the person in scope; significant downturn in the financial performance or a significant failure of risk management in Waystone or in its relevant business unit; significant change in Waystone's financial situation and in general when the bonuses have been based on fraudulent data) which may lead to the reimbursement (clawback) or the total or partial cancellation (malus) of bonuses awarded to the person in scope.

Bonus shall not be offered if they cause conflicts of interest, specifically regarding the ability of Waystone to have sound risk management and clients' and investors' protection principles in place.

V. Conflicts of interest

The remuneration policy shall aim at aligning the personal objectives of staff members with the long-term interests of the financial undertaking concerned. The assessment of the performance-based components

of remuneration shall be based on longer-term performance and take into account the outstanding risks associated with the performance.

Possible conflicts of interest, criteria for the identification of conflicts of interests and implemented measures taken in order to avoid or to manage conflicts of interest are described in further detail in the “Conflict of interest policy” of Waystone and the group.

VI. Disclosure

Relevant and appropriate disclosure of the features of this Policy will be made in line with the applicable laws and regulations. In particular, appropriate information shall be made available for financial reporting purposes (i.e. inclusion of a remuneration disclosure based on overall figures and other practical items).

VII. Objective

The Board will exercise competent and independent judgment on the remuneration policy and on its implementing practices and incentives created for managing risk, capital and liquidity.

When preparing such decisions, the Board shall take into account:

- the long-term interests of Waystone; and
- applicable legal and regulatory requirements as listed in section II of this Policy.

VIII. Duties and powers of the Board

The Board shall in particular:

- oversee the implementation of this Policy and of its principles in a way that is proportionate to the size and internal organisation of Waystone and to the nature, scope and complexity of its activities, in line with generally accepted market practices;
- define the financial and non-financial criteria, i.e. the parameters to assess the performance of an individual in scope of this Policy including sustainability risk factors criteria.
- perform the performance assessment of any individual whose variable remuneration exceeds 100% of its fixed remuneration;
- assess whether or not variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the principles of this Policy;
- assess the efficiency of this Policy and propose changes if and when required.

The assessment of the proportionality of the remuneration principles applied within Waystone is performed by the Board by taking into account objective criteria in particular for the variable elements of the remuneration which should at all times be reasonable compared to the fixed component of the remuneration on basis of the practical approach and objective criteria contained in section IV above.

The remuneration principles in place at Waystone mainly take into account the performance of the relevant individuals, are not fully correlated to the performance of its clients or other purely economic criteria, and is deemed appropriate to the size, organisation and the nature, scope and activities of Waystone as a PFS.

It shall also be noted that Waystone is, since 2020, part of an international group named the “Waystone Group” composed of other regulated entities that are also subject to similar requirements pertaining to their remuneration framework.

Accordingly and from a sound governance perspective at group level, the Waystone Group has established a group remuneration committee at parent company level, which is responsible for setting remuneration for all executive directors and other key senior management representatives, and also reviews the remuneration of all Waystone Group employees, in particular for those entities that did not yet consider the implementation of a dedicated remuneration committee as absolutely necessary.

This group remuneration committee applies principles contained in the ESMA guidelines on sound remuneration policies under the AIFMD, as amended from time to time (ESMA/2013/232 as amended by ESMA/2016/579) and the ESMA guidelines on sound remuneration policies under the UCITS Directive, as amended from time to time (ESMA/2016/575).

Given the presence of the group remuneration committee at the level of ultimate parent of Waystone, and taking into account the fact that the Board previously decided to establish the Remuneration Committee by virtue of the size, internal organisation and the nature, scope and the complexity of the activities performed by Waystone, the Board would also, with a view to ensure a consistent approach to remuneration aspects at group level while keeping in place the existing approach based on Luxembourg requirements and practices, take good note of decisions made by the group remuneration committee when formalising final decisions at the level of Waystone relating to remuneration on a reasonable and justified basis, and confirm these from a Luxembourg regulatory and corporate governance perspective standpoint unless otherwise provided.

IX. Monitoring and review

This Policy shall be subject, at least on an annual basis, to the review of the Board and may be updated by the RR of Waystone whenever a material change occurs that affects the Waystone’s ability to continue to obtain the best possible practice.

Without prejudice to the overall responsibility of the board of directors set out above, the implementation of the remuneration policy shall be subject, at least on an annual basis, to central and independent internal review by control functions for compliance with policies and procedures defined by the board of directors. The control functions shall report on the outcome of this review to the board of directors. A copy of said reports shall be put at the disposal of the CSSF.

Staff members engaged in control processes shall be independent from the business units they oversee, have appropriate authority, and be compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

This Policy is available to all Waystone employees. Any material changes to this Policy will be made available in the same manner.

Appendix A: Roles in scope:

- Chief Executive Officer
- Chief Financial Officer / Senior Financial Controller
- *Responsable du Respect des Obligations* (RR)
- Any other conducting officer of Waystone who is not listed above