

POLICY FOR REMUNERATION

1. Introduction

- a) Alphadyne Asset Management Fondsmæglerselskab (Europe) A/S (“**Firm**”) is a MiFID investment firm based in Denmark. The Board of Directors of the Firm have adopted this policy (“**Policy**”) in order for the Firm to comply with its obligation to have a risk-focused remuneration policy, which is consistent with and promotes effective risk management, pursuant to:
- i. Section 107- 112 of the Danish Act no. 1155 of 8 June 2021 on Investment Firms, as amended from time to time;
 - ii. Section 138 of the Danish Companies Act no. 1952 of 11 October 2021, as amended from time to time;
 - iii. Executive Order no. 1242 of 10 June 2021 on remuneration policy and remuneration for credit institutions, mortgage institutions, investment firms, investment management companies, investment associations and certain holding companies, as amended from time to time, (the “**Executive Order on Remuneration**”);
 - iv. Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016 supplementing MiFID II as regards organisational requirements and operating conditions for investment firms and defined terms for the purpose of that Directive;
 - v. Commission Delegated Regulation (EU) No 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit’s risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution’s risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive (the “**Delegated Regulation on Material Risk Takers**”); and
 - vi. Commission Delegated Regulation (EU) No 527/2014 of 12 March 2014 supplementing Directive (EU) No 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration (the “**Delegated Regulation on Instruments**”).

2. Purpose and application

- a) The Policy aims to attract, retain, develop and reward the employees who contribute to the value creation of the Firm and thereby support a performance-oriented culture within the Firm.
- b) The Policy applies to all members of the Board of Directors of the Firm and all applicable employees within the Firm. At present, the Board of Directors are employed by the Firm’s parent company and are not remunerated by the Firm in connection with their directorship roles. Therefore, certain sections of this Policy, as it applies to remuneration caps and disclosures, are not be applicable to such persons.
- c) The Policy is designed to ensure that the Firm’s remuneration policies, procedures and practices are consistent with, and promote, sound and effective risk management and do not encourage excessive or inappropriate risk taking.
- d) The Policy is also designed to be in line with the Firm’s obligation to act in accordance with the good conduct rules, business strategy, objectives, values and long-term interests, and also to take into account

the interests of the Firm's clients. The Policy should not create any conflicts of interest or incentives that may lead to staff favouring their own, or the Firm's interests, to the potential detriment of clients.

- e) The Firm's total variable remuneration should not limit its ability to strengthen its capital base. Where the Firm's financial performance is subdued or negative, total variable remuneration should generally be contracted.
- f) This Policy covers all forms of remuneration including, but not limited to, base salary, variable remuneration, pension benefits, non-pay benefits, etc.
- g) Should any local amendments conflict with the principles of this Policy, the amendment should be brought to the attention of the Board of Directors.
- h) This Policy applies with due respect to any applicable legislation and in case of any discrepancy between this Policy and any applicable legislation, the latter will prevail.

3. Procedural matters

- a) The Board of Directors are responsible for approving and maintaining this Policy and overseeing its implementation. In the design and oversight of the Policy, the Board of Directors should consult with the Executive Board and any other relevant individuals.
- b) The Policy should be approved by the parent of the Firm. The Board of Directors may subsequently amend the Policy, but any material amendments will not become effective unless approved by the parent of the Firm. However, if an amendment does not relate to, or affect, the remuneration of the Board of Directors or the Executive Board, such amendment may become effective prior to the parent entity's approval but approval should be sought from the parent entity at the next general meeting, as applicable. In addition to the above, the parent of the Firm must (re)approve this Policy at least every fourth year.
- c) The Board of Directors should review the Policy on an annual basis at a minimum. If reviews reveal that the remuneration system does not operate as intended or prescribed, the Board of Directors must ensure that a timely remedial plan is put in place.
- d) The Board of Directors are responsible for determining which individuals are considered "**Material Risk Takers**" (as defined below) within the Firm. Please refer to **SCHEDULE 1** for a list of current Material Risk Takers.
- e) The remuneration of the Executive Board is subject to the approval of the Board of Directors. At present, the Executive Board is comprised solely of the Adm. Director who is based in Denmark.
- f) The Executive Board must ensure that this Policy is communicated and/or available to all relevant staff.

4. Reporting and publication obligations

- a) The Chairperson of the Board of Directors shall, at the annual general meeting of the parent of the Firm, report on this Policy, the Firm's compliance therewith and the remuneration of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles) and the Executive Board. The report shall include information about:
 - i. remuneration awarded for the previous, the current and the subsequent financial year; and
 - ii. details of the fixed and variable remuneration of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles) and the Executive Board.

- b) The parent entity must, at the annual general meeting, approve the remuneration for the Board of Directors for the current financial year (to the extent remunerated by the Firm in connection with their directorship roles).
- c) The Firm annual financial statements shall include details of the remuneration of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles), the Executive Board and the *Identified Staff* (as defined below), as required pursuant to applicable law from time to time.
- d) The Firm should, no later than 1st May in every year, report to the Danish FSA the number of persons who, in the previous financial year, in their capacity as members of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles) or employees of the Firm have been awarded, by the Firm, aggregate remuneration above EUR 1,000,000. This report to the Danish FSA must include information (i) the number of persons divided into responsibility and business areas, (ii) whether the persons are designated as “*Material Risk Takers*”, (iii) the size of the person’s aggregate remuneration, including variable and fixed remuneration and pension benefits, (iv) the size of the variable pension benefits pursuant to Section 109 of the Act on Investment Firms, (v) the size of the aggregate variable deferred remuneration and (vi) the country from where the person works. ***At present, this is not applicable to the Firm as no employee has been awarded an aggregate remuneration above EUR 1,000,000.***
- e) The Firm must make this Policy publicly available at its website as soon as possible, in accordance with Section 22 of the Executive Order on Remuneration, following being approved by the parent of the Firm.
- f) The Firm must each year make an annual remuneration report available at its website as soon as possible following the annual general meeting has been held. The annual remuneration report, which is included in the financial statements, must remain available at the website for ten (10) years.¹ The annual remuneration report must include:
 - i. Information about the aggregate remuneration each member of the Executive Board and each member of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles) has received for the relevant member’s position with the Firm, together with remuneration received for undertaking a similar senior management position with a member of the group to which the Firm belongs. The information must cover remuneration received by each such member in the three most recent years and include information about the central elements of any retention and/or severance payment scheme(s) for the relevant person.
 - ii. As applicable, a statement on the relationship between the remuneration of the members of the Executive Board and the Board of Directors on the one hand and the Firm’s strategy and objectives in this respect on the other hand.

5. Principles of remuneration for the Board of Directors

- a) The Board of Directors shall be compensated with fixed remuneration only, and not with any variable remuneration in respect of their roles as Directors of the Firm. At present, the Board of Directors are employed by the Firm’s parent company and are not remunerated by the Firm in connection with their directorship roles.
- b) As applicable, the remuneration of the Board of Directors is presented for approval at the annual general meeting as a separate agenda item.

¹ The Firm complies with this requirement by posting a link on its website, which reroutes to the annual financial statements posted on the CVR website.

6. Principles of remuneration for the employees

a) Fixed remuneration

- i. In setting and reviewing fixed remuneration (including fixed pension benefits if applicable), the Firm takes into account the need to ensure that the fixed and variable components of total remuneration are appropriately balanced, with the fixed element being set at a sufficient level to ensure that the policy on the variable component can be operated in a fully flexible manner, including the possibility of there being zero variable remuneration in any particular year.

b) Variable remuneration

- i. Variable remuneration is defined in Section 10, no. 43 of the Act on Investment Firms as any remuneration, whether monetary or non-monetary, where the size/value of the remuneration is not known in advance, including bonus schemes, result-contracts, one-offs and other similar arrangements not forming part of the fixed remuneration.
- ii. Any variable remuneration must be approved by the Board of Directors. Any variable remuneration is entirely discretionary and is determined at the sole discretion of the Firm.
- iii. The Firm ensures that there is a balance between fixed and variable remuneration and that the structure does not favour its interests over those of its clients. The Firm will adopt a cap on variable compensation, being 100% of the base salary, for all employees (except for certain situations as described in clause 8).
- iv. Payment of any variable remuneration is based on the following principles, which are designed to align the variable remuneration with sound and effective risk management, and do not encourage excessive or inappropriate risk taking:
- v. Performance criteria is used to assess the level of variable remuneration;
 - Performance criteria may include assessment of competencies, financial performance, technical expertise, collaboration, team working, leadership, innovation and continuous development; and
 - Consideration will also be given to overall firm performance, performance of the relevant team, performance of the individual relation to their role, competitive market benchmarking, future capital needs of the firm and any other relevant factors.
- vi. The Board of Directors may choose to operate a discretionary bonus pool from which all variable remuneration is paid out. Any amounts allocated to the discretionary bonus pool are determined by the Firm with consideration to the Firm's overall financial performance and the future capital needs of the Firm. Any amounts allocated to the discretionary bonus pool, but not yet paid out to individuals, can be clawed back from the pool should the Firm's assessment change.

c) Guaranteed bonuses

- i. Guaranteed bonuses will generally not be awarded, paid or provided unless they are: (i) exceptional, (ii) awarded in the context of hiring a new employee, and (iii) limited to the first year of service.

d) Severance Pay

- i. Severance Pay will be paid by the Firm pursuant to any applicable employment law.
- ii. Severance payment schemes between the Firm and a member of the Executive Board must comply with certain requirements, including severance payments must be structured to reward results achieved during employment and not reward misconduct or poor performance. Further, the Board of Directors may withhold or claw-back severance payment(s) if the person has acted in a way which is deemed to be serious managerial failure or if the Firm is charged under a

criminal investigation which can be ascribed the relevant person. The Firm may be obliged to make information concerning severance payment schemes entered into with a member of the Executive Board public at the Firm’s website where this Policy is made available.

7. Material Risk Takers

- a) Applicable law sets out a number of special provisions and limitations on variable remuneration for (i) members of the Board of Directors (to the extent remunerated by the Firm in connection with their directorship roles), (ii) the Executive Board, and (iii) selected employee groups, including employees whose professional activities have a material impact on the Firm’s risk profile (“*Identified Staff*”) (collectively (i), (ii) and (iii), “*Material Risk Takers*”).
- b) Material Risk Takers are identified by the Board of Directors based on: (i) the qualitative and quantitative criteria set out in article 3 and 4 in the Delegated Regulation on Material Risk Takers, (ii) a thorough assessment of roles, responsibilities and actual mandates of positions that could be included as Material Risk Taker positions by the intention of the legal framework, and (iii) an assessment of risk under the specific characteristics of the Firm’s business.
- c) The Board of Directors have assessed that the persons set out in **SCHEDULE 1** of this Policy are considered Material Risk Takers for purposes of this Firm Policy.
- d) The variable remuneration for Material Risk Takers must comply with the additional provisions and limitations described below.

8. Limitations on variable remuneration for Material Risk Takers

This section includes a full list of limitation on variable remuneration for Material Risk Takers but not all of them may be applicable to the Firm. Nonetheless, the Firm will review these limitations when assessing variable remuneration and seek to ensure compliance with the remuneration rules.

- a) Monetary limitations
 - i. The variable remuneration awarded to a Material Risk Taker (a “*MRT*”), calculated at the time of allotment after the end of the respective calendar year (accrual period), must not exceed the percentage of the total amount of the MRT’s base salary and any pension benefits for the respective calendar year as set out below:

Position	Percentage
Board of Directors	50%
Executive Board	50%
Identified Staff	100%

- b) Deferred payment
 - i. Payment of at least 40% of any variable remuneration award to a MRT must be deferred over a period of: (i) five (5) years for members of the Executive Board; and (ii) four (4) years for the Identified Staff.
 - ii. The deferred part of the MRT’s variable remuneration award must be raised to 60%, if: (i) the amount of the variable remuneration award is equal to or above either DKK 750,000 before tax; or (ii) the variable remuneration award is considered a “*large amount*” taking into consideration

the impact the MRT can have on the risk profile of the Firm and the responsibilities and tasks performed by the MRT.

- iii. The deferral period must start one (1) year after the time of calculation of the variable remuneration. The deferred part of any variable remuneration award must be paid out pro-rata on an annual basis, calculated as of the date stated above. Thus, any variable remuneration award must be paid out in three pro rata instalments when the deferral period is three years and in four pro rata instalments when the deferral period is four years.
- iv. Payment of the deferred part of any variable remuneration award must be conditional on:
 - The criteria forming the basis for the variable remuneration award are still fulfilled;
 - The relevant person has abided by applicable requirements for “*Fit and Proper*” and has not participated in or been responsible for any bad behaviour or malfeasance, which has resulted in significant losses for the Firm; and
 - The Firm’s financial situation has not been substantially weakened compared to the time when the variable remuneration award was initially calculated.

c) Payment in financial instruments

- i. Any variable remuneration awarded to a MRT of the Firm, and in respect of their duties here, must consist - the value of which must be calculated at the time of allotment after the end of the respective calendar year - of the following:
 1. A minimum of 50% of the variable remuneration award (the “*Variable Remuneration*”) must consist of a balance of instruments in the form of shares in the Firm, share-based instruments (such as stock options or warrants) of the Firm and/or other instruments approved under the applicable legislation (*i.e.*, instruments which reflect the creditworthiness of the Firm as a going concern), provided that similar instruments of an entity which directly or indirectly owns 100% of the share capital of the Firm may be used in lieu of instruments of the Firm.
 2. A maximum of 50% of the variable remuneration award must consist of cash payment.
- ii. For members of the Board of Directors and the Executive Board, the value of the instruments in the form of warrants, options and similar instruments must not exceed 12.5% of the total amount of the person’s base salary and any pension benefits for the respective calendar year.

d) Retention requirements

- i. On payment of the part of any Variable Remuneration which, as stated above, must consist of one or more of various instruments, the instrument must be subject to a retention period during which the MRT is not entitled to transfer, assign, pledge or otherwise dispose of the MRT’s rights under the instrument.
- ii. For such instruments, the retention period must be “*suitable*”. The Firm has assessed that a period equal to six (6) months is generally considered suitable.
- iii. For members of the Executive Board, the retention period for such instruments must be extended with 6 months, *i.e.*, the retention period is twelve (12) months for both non-deferred and deferred instruments.

e) Restriction on hedging

- i. A MRT’s entitlement to Variable Remuneration is conditional on the MRT refraining from using any personal hedging strategies or insurance to undermine the risk alignment effects embedded in the financial instruments.

- ii. This applies to both the non-deferred and deferred part of any Variable Remuneration and also to any part of Variable Remuneration award already paid out. In the latter situation, the MRT must be obliged to repay the part already paid out.

f) Claw back

- i. A MRT may be required to repay any part of their Variable Remuneration already paid out, if it was paid out on the basis of data which turned out to be falsified, misstated or provided in bad faith by the MRT.

g) Other limitations

- i. The Firm will not pay out any Variable Remuneration if, at the time of payment of such award:
 - 1. The Firm will not be in compliance with the capital and/or solvency requirements in Section 120 and 121 of the Danish Act on Investment Firms and/or the capital requirements in articles 7 and 11 of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms (as applicable); or
 - 2. The Danish FSA has made an assessment that there is a reasonable risk that the Firm will not be in compliance with its capital and/or solvency requirements.
- ii. If the Firm receives notification from the Danish FSA pursuant to section 166 of the Danish Act on Investment Firms regarding compliance with solvency requirements, the Executive Board will forfeit their right to receive variable remuneration during the period until such matter is resolved.

9. Approval and Revision

- i. This Policy should be reviewed and approved by the Board of Directors as required but at least once a year.
- ii. This Policy should be presented to and approved by the parent of the Firm at its annual general meeting at least every fourth year. Any material amendments to this Policy must also be presented and approved by the Firm's parent.

10. Other

Given that the individuals who comprise the Board of Directors of the Firm each have global roles and responsibilities within the parent group. It is understood that their functions and obligations under this Policy may be conducted concurrently the those and in forums and committees that occur on a group wide basis.

SCHEDULE 1: MATERIAL RISK TAKERS

Person	Legal basis	Date of entry
The Board of Directors of the Firm	Section 4(2), no. 1 of the Executive Order on Remuneration (members of the Board of Directors or Executive Board)	September 2024
The Executive Board of the Firm:	Section 4(2), no. 1 of the Executive Order on Remuneration (members of the Board of Directors or Executive Board)	September 2024
Identified Staff: Portfolio Managers of the Firm	Section 4(2), no. 2 of the Executive Order on Remuneration (Staff with responsibility for the investment firm's compliance etc.)	September 2024