

Remuneration Policy

Most recently revised	Applicable from	Owner	Reviewer
October 29 th 2025	November 6 th 2025	The CEO	The CCO

Introduction, background and purpose

The company is defined as a so called “*small and non-connected investment firm*” according to the Regulation (EU) 2019/2033 on the prudential requirements of investment firms (Sw. *Värdepappersförordningen (IFR)*). Hence, chapter 3 a, Section 3 of the Swedish Financial Supervisory Authority’s regulatory code (FFFS 2017:2, amended through FFFS 2021:27) regarding investment firms (“**Regulation 2017:2**”) is not directly applicable to the Company. However, the company has chosen to have a documented remuneration policy taking into consideration Regulation 2017:2 in order to ensure a sound and risk-based approach to its remuneration model. This remuneration policy comprises the foundations and principles of how remuneration shall be determined, implemented and monitored and how the company defines employees whose duties have a material impact on the company’s risk profile, so called *pecially regulated staff* or *identified staff*.

The remuneration policy must be consistent with and promote sound and effective risk management as well as discourage excessive risk-taking. The policy shall be updated and reviewed regularly, at least annually.

The policy must be designed and applied in a manner that is appropriate to the company’s size, internal organization and the nature, scope and complexity of its operations. The policy must also be consistent with the company’s business strategy, objectives, values and long-term interests.

Brock Milton Capital AB (“**BMC**” or the “**Company**”) has adopted this policy for the purpose of ensuring that the Company meets the regulatory requirements.

Target group

The policy applies to all employees in the Company.

Definitions

Terms and definitions shall have the following meaning:

Employees whose duties have a significant impact on the Company’s risk profile or Specially regulated personnel: Employees who the Company has identified as such in accordance with the EBA Guidelines on sound remuneration policies under the Investment Firm Directive.

Discretionary pension benefits: A pension benefit that the Company grants to an employee on an individual basis as part of his or her variable remuneration. This does not include accrued benefits granted to the employee earned according to the terms of the Company's pension system.

Remuneration: All remuneration and benefits to an employee (e.g. cash salary and other cash remuneration, remuneration in the form of shares or share-related instruments, provisions for pensions, severance pay and company car).

Internal controls: The Company's department(s) for risk control, compliance and internal audit or the equivalent.

Senior Management: The CEO, the deputy CEO and other persons in the Company's Management Group or similar body who are directly responsible to the Board of Directors or the CEO, such as the CFO, if the person is employed by BMC.

Risk taker: An employee belonging to a category of staff whose professional activities can have a material impact on the Company's risk level. This normally refers to employees who can enter into agreements or take positions on behalf of the Company or in any other way impact the Company's risks.

Specially regulated staff: Senior Management and employees in the following categories of staff have been identified by the Company as specially regulated staff in accordance with Chapter 2, Section 3 of Regulation FFFS 2011:1:

- Employees in strategic management positions,
- Employees responsible for control functions,
- Risk takers, and
- Employees whose total remuneration is equal to or exceeds the total remuneration to any of the members of Senior Management.

Variable remuneration: Remuneration where the amount or size is not determined in advance. Variable remuneration should be linked to measurable financial criteria. Commission-based salary, that is not linked to future risk commitments that could change the Company's statement of profit or loss or balance sheet, should not be counted as variable remuneration.

Specially Regulated Staff/Identified Staff

A system that provides a high level of remuneration to an individual employee who has contributed to good results in the short term, but whose decisions in the long term could lead to losses for the Company, may distort the perspective of employees and can cause them to disregard the best long-term interests of the Company. An inappropriately designed remuneration system and the payment of variable remuneration may also negatively affect the Company's liquidity and result in the Company failing to comply with regulatory requirements.

In light of this it is of the utmost importance that the Company ensures that the remuneration system is consistent with and promote sound and effective risk management. The role of remuneration is fundamental to the risk structure of finance companies. As a result of this, the Company's ability to identify such personnel as are defined above as specially regulated personnel is crucial to the assessment of whether the remuneration system meets the requirements of sound and effective risk management.

The Company shall make an annual analysis in order to identify employees whose work has a material impact on the Company's risk profile. This analysis must take into account all risks that the Company is or may be exposed to, including the risks associated with the remuneration system. The annual analysis shall be documented.

Management and control

The Board shall decide on:

- Remuneration to the Senior Management.
- Remuneration to those responsible for compliance, risk management and internal auditing functions. If any of these functions have been outsourced, it is the CEO's responsibility to ensure that the fees are paid without any element of variable remuneration.
- Measures to monitor the application of the policy.

The Board's decisions shall, where applicable, comply with decisions taken at the Annual General Meeting with regard to remuneration in the Company.

The CEO can decide on remuneration to other categories of employees than Senior Management. Such decision shall be subject to review by the Remuneration Committee and control functions review before approval.

Control functions review

The Company's compliance function and/or internal auditing functions must review whether the Company's remuneration system complies with the policy. The review should also consider whether the policy is consistent with the Company's business strategy and goals and take into account the long-term effects of investment decisions made as well as avoid conflicts of interest, encourage responsible business conduct and promote risk awareness and prudent risk-taking. The functions must report the results of the review to the Board no later than in conjunction with the adoption of the annual Financial Statements.

The Company must ensure that those employees responsible for control functions are independent of the business areas they oversee and have appropriate powers and resources to monitor and control the risks associated with the Company's remuneration system. In the event that an employee in a control function does not consider that they have the appropriate powers or resources according to this provision, the CEO

and the Board must be informed as soon as possible and appropriate measures be taken.

Employees in control functions must not receive variable remuneration.

Remuneration structure

General information on remuneration

The Company pays its employees through fixed and, where appropriate, variable remuneration. Fixed remuneration means a fixed salary or hourly rate. Salaries and hourly rates are determined individually with regard to relevant professional experience and organizational responsibility as set out in the employee's job description as part of the contract of employment. In determining the salary or hourly rate; education, seniority, level of expertise and skills as well as the market salary for the relevant position must also be taken into account. The Company applies overall gender pay equality, generating same pay to women and men for substantially equal work. The content of the job description determines whether jobs are substantially equal, however relevant experience and other work-related qualities needed for the job shall also be considered.

Medical insurance is paid for employees in certain positions. All employees with a monthly salary and a registered residence in Sweden are covered by BMC's applicable *Pension policy*.

Additionally, employees are entitled to receive an annual wellness allowance (Sw. friskvårdsbidrag), unless stated otherwise. The size of the wellness allowance shall be set in accordance with Swedish tax regulations.

Product Specialists

Employees with the title "*Product Specialists*" shall have a fixed salary linked to sales performance and the general value added to the Company.

Investment Professionals

Employees with the title "*Analysts*", "*Assistant Portfolio Manager*" or "*Portfolio Manager*" shall have a fixed salary linked to the seniority of the title, analytical performance and the general value added to the Company.

Operations

Employees working with the Company's operations, such as legal counsel, administrative personnel and other support functions shall have a fixed salary linked to the seniority of the title, operational performance and the general value added to the Company.

Variable remuneration

All employees may receive variable remuneration unless otherwise specified. Variable remuneration must be based on relevant and predetermined measurable financial and non-financial criteria and take into consideration the Company's business cycle and business risks. These criteria must reflect a sustainable and risk-adjusted performance as well as performance over and above that required to meet the requirements of the employee's job description as part of the contract of employment. Variable remuneration must not encourage excessive risk-taking, including risks associated with sustainability and ESG.

Remuneration models that may exist in the Company must have an appropriate balance between fixed and variable components. Fixed components must account for a large enough portion of the employee's total remuneration to allow for the variable components to be zero. For employees who receive variable remuneration, the variable remuneration must never be greater than the fixed remuneration.

Variable remuneration must not contain discretionary pension benefits.

Guaranteed variable remuneration may only be provided for new employees and in exceptional cases if there are specific reasons to do so. Guaranteed variable remuneration is limited to the first year of employment and must be approved by the Board if above 500,000 SEK. This provision does not refer to the redemption of deferred remuneration, which is regulated below.

The Company must ensure that remuneration, in addition to contractual salary and accrued holiday pay, which is payable to an employee in conjunction with the termination of their employment (e.g. golden parachutes) is related to the employee's performance during the employment and is calculated so that it does not reward unhealthy risk-taking. It is the CEO's responsibility to ensure that the Company does not enter into employment contracts that provide for predetermined remuneration to be paid upon termination of employment that cannot be adjusted based on the employee's performance and risk-taking.

Compensation package relating to previous employment

If, in conjunction with taking up employment, an employee has deferred remuneration derived from their previous employment, the Company has the opportunity to offer the employee a *compensation package* in order to replace or redeem the previous employment contract. In the event that the Company chooses to take this opportunity it must ensure that the compensation package used is consistent with this policy (including the rules on deferred remuneration) and is consistent with Chapter 4 of the Regulations.

Compensation package refers to all forms of remuneration that the Company pays or obligates itself to pay as part of the contract of employment and which are intended to compensate for the remuneration the employee would otherwise have received in their previous employment. The compensation package according to this provision must be approved by the Board and may only be approved if it aligns with the Company's long-term interests and as long as the Company maintains a healthy capital base.

Integration of sustainability risks

Sustainability risks are considered in terms of variable compensation with the aim of promoting a healthy business and culture and curbing excessive risk-taking. Qualitative criteria are stipulated in this policy and quantitative criteria are subjective and are balanced in relation to the employee's duties and responsibilities.

Performance assessment and risk adjustment

The Company's assessment of the results that form the basis for calculating variable remuneration must primarily be based on *risk-adjusted profit measurement*. Both current and future risks must be taken into account. In making an assessment, the Company must also take into account actual capital costs and the liquidity required for the operation.

The Company's performance assessments must also be made with a long-term perspective in mind, in order to ensure that these are based on results that are sustainable in the long term and that the Company's underlying business cycle and risks are taken into account when paying performance-based remuneration.

If the Company uses subjective assessments for adjusting the results based on risk, the considerations that form the basis for the adjustment must be well-thought-out and well documented.

General conditions for variable remuneration

The Company must ensure that its total variable remuneration does not limit the Company's ability to maintain sufficient capital or, where necessary, strengthen its capital base. This means that among other things the Company must consider:

- The size and cost of the extra capital required to cover the risks that have affected the profit for the period;
- The size and cost of the liquidity risk; and
- The possibility that expectations about future income will not be met.

Bonus pool

If the Company in any financial year, taking into account its aggregate income from all its operations, has generated an annual profit, gross of any tax, the Company undertakes, as far as legally possible, to distribute and disburse a share of the risk-adjusted result as a preference profit to its employees. The distributable profit shall be determined by the Board at the end of each fiscal year (the "**Bonus pool**"). 30 % of the Bonus pool shall be distributed pro-rata between all employees meeting the general criteria below, and the remaining 70 % of the Bonus pool shall be calculated and distributed according to individual performance calculations.

The risk- and compliance functions should provide feedback to determine the Bonus pool, performance criteria and the granting of compensation, when and if they are concerned about the impact on staff behavior and the degree of risk taking.

The variable remuneration to specially regulated personnel is based on both the employee's results and the relevant profit centre and the Company's overall performance. Both financial and non-financial criteria must be considered in the assessment of the employee's performance. The financial and non-financial criteria on which the Company bases decisions about remuneration must be specified and documented.

The Company must inform its employees of the criteria that determine their remuneration and how their performance is evaluated. HR is responsible for ensuring that the relevant criteria and performance assessment are produced by the employee's manager and that all employees are provided with this information. The assessment process and remuneration policy must be accessible to all employees.

General criteria

All employees' individual achievements are assessed on the same criteria:

- The employee's contribution to BMC achieving its goals;
- How well and professionally the employee performs its duties and how well the employee's objectives have been achieved;
- General behaviour amongst colleagues and towards clients;
- Commitment and contribution to BMC's development and strategy;
- Compliance with BMC's responsible investments and sustainability policies;
- If the employee is responsible for or has participated in BMC incurring or risking incurring an expense, loss or badwill because of a breach of the rules of conduct or internal or external regulations. *Expense, loss or badwill* refers to damages, sanctions issued by regulatory authorities and reputational risk; and
- If the employee intentionally or by negligence has acted in breach of internal rules, values or procedures, including assuming excessive sustainability risks.

Each employee is evaluated annually based on the employee's performance in relation to the above criteria. The evaluation must also take into consideration any existing and future risks. The evaluation is managed and performed by the employee's manager. If deemed relevant and appropriate, the employee's manager shall obtain information from the management and other relevant officers of the Company about the employee's performance and risk-taking. Each employee must have an annual meeting with their manager at which the employee is informed of how the employee's performance has been evaluated in relation to the above criteria. For specially regulated personnel, information must be obtained from the Senior Management, CEO and other relevant officers in conjunction with the annual evaluation of the employee's performance and in the assessment of how the variable remuneration should be adjusted or withheld in accordance with the section Deferral below.

Deferral

In order to achieve a long-term risk perspective among employees, the following applies with regard to specially regulated personnel who during the course of a year receive variable remuneration amounting to at least SEK 100,000.

For specially regulated personnel who are not part of Senior Management, at least 40 % of variable remuneration must be deferred for three (3) years.

For members of the Senior Management, the CEO and acting CEO, as well as for specially regulated personnel who receive an especially high level of variable remuneration (i.e. variable remuneration of at least SEK 500,000 or more during a year), at least 60 % of the variable remuneration must be deferred for three (3) years.

The Company must pay the deferred remuneration once a year, evenly spread across the time the remuneration is deferred (pro rata). The first payment will be made one (1) year after the variable remuneration was determined. Before the variable remuneration is paid the Company must make an assessment of how the deferred variable remuneration should be risk-adjusted in accordance with the provisions on Attrition and adjustment of variable remuneration below.

The employee agrees not to use personal hedging strategies or insurance for the purpose of reducing or eliminating the effects of deferred remuneration being adjusted or eliminated. At the Company's request, the employee may be required to provide a written confirmation.

Attrition and adjustment of variable remuneration

A system that provides variable remuneration to an individual employee who has contributed to good results in the short term, but whose decisions could lead to increased risk and losses for the Company in the long term, may distort the perspective of employees and can make to disregard the long-term best interests of the Company.

The Company must ensure that variable remuneration, including deferred remuneration, is only paid or transferred to the employee to the extent justifiable with consideration to the Company's financial situation and is motivated by the results obtained by the Company, the relevant profit centre and the employee. This means that even "up-front" payments of variable remuneration may need to be adjusted if previously deferred remuneration does not provide sufficient opportunity to adjust the total variable remuneration. For the same reason, it must also be possible to withhold variable remuneration in its entirety.

Before any variable remuneration is paid the Company must make an assessment of the criteria established above and the criteria that formed the basis for the determination of the relevant employee's variable remuneration. In particular the Company will assess whether the employee's conduct has led to

new or increased risks in the business and whether the assessment made by the Company in conjunction with determining the employee's variable remuneration is still correct or if there are grounds for retroactively adjusting the employee's variable remuneration. Grounds for retrospective adjustment of variable remuneration are as follows:

- Inappropriate or excessive risk-taking in relation to the employee's performance;
- The relevant profit centre or the Company's total performance;
- Lack of compliance; and/or
- Conduct in violation of the Company's *Code of Conduct* or conduct that resulted in or risked resulting in client complaints, damages, regulatory sanctions or reputational risk.

The Company's Board retains the right to unilaterally make decisions regarding whether an employee's variable remuneration should be adjusted or withheld.

Timing for payment of variable remuneration

Variable remuneration will be paid as soon as practical after the adoption of the income statement and balance sheet included in the annual report by the annual general meeting, and the decision by the Company on variable remuneration. Usually, pay-outs are made in connection with the regular salary payment date in March each year.

Remuneration committee

The Company is not required to establish a remuneration committee due to being a small and non-connected investment firm. However, the Company may establish a remuneration committee. The remuneration committee shall be responsible for preparing decisions on remuneration, evaluating the Company's remuneration model and examine whether the incentives in the remuneration model take into account risk, capital and liquidity, as well as the probability and timing of results. The remuneration committee shall report to the Board in accordance with the instructions set up in the *Instructions for the Remuneration Committee*.

Voluntary gender pay gap report

The Company is not required to submit an annual gender pay gap report to the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) due to being a small and non-connected investment firm. However, the Company may voluntarily submit a gender pay gap report.

Other

If an employee, regardless of the reason, resigns from its position or if the Company terminates the employee's employment due to reasons other than redundancy, before variable remuneration has been paid to the employee, any earned variable remuneration will then be waived and not paid. With regard to previous years' remuneration that had been deferred, such deferred variable remuneration shall not be waived, provided the Company has made an initial payment of the relevant variable remuneration. However, the provisions in sections *Deferral* and *Attrition and adjustment of variable remuneration* shall

be applied as if the employee was still employed by the Company at the time of the decision.

The determined variable remuneration is a gross amount which includes holiday pay. No pension is paid on the determined variable remuneration.

Publication of information on the remuneration policy etc.

The Company must publish an explanation on its website of how the Company meets the requirements of the Regulations with regard to its remuneration policy and remuneration system. Upon material amendments of the policy, the website shall be updated accordingly.

Expediting/publishing of the policy

Unless special circumstances exist, this policy will be sent via e-mail to everyone in the organization as well as published on the Company's intranet. Policy documents may not be distributed to any third party without the prior written consent of the CEO. The content of Attachment 1 to this policy is confidential as it contains information on remuneration to individual employees of the Company. Therefore, the content of Attachment 1 must be removed before the policy is distributed.

Responsibility and administration

The author and contact person regarding this policy is the CEO. The CEO is responsible for implementing the policy, whereas the CCO is responsible for reviewing Compliance with its provisions.

Updates and amendments

The Company's Board shall regularly and at least annually review and adopt the policy. The review should include an analysis of whether the policy is gender-neutral.

The Company's Board reserves the right to, in its sole discretion and at any time, amend or withdraw the policy without prior notice.

The Company's Board should also review and approve any substantial exemptions made for individual employees, or changes to the policy, and carefully consider and monitor the consequences thereof.

Exceptions shall not be based on gender or other aspects that may be considered discriminatory and should overall be justified and in line with legal requirements.

Amendments will take effect from the date stated above.
