



COBAS' GENERAL REMUNERATION POLICY

COBAS ASSET MANAGEMENT
S.G.I.I.C., S.A

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1. PURPOSE AND SCOPE OF APPLICATION.

Due to the characteristics of its business, Cobas Asset Management, SGIIC, S.A. (hereinafter "COBAS", the "Entity" or the "Manager"), considers its professionals to be the essential element for the achievement of its objectives, with the remuneration policy playing a key role in the motivation and retention of talent.

As a collective investment scheme ("CIS") (*institucion de inversión colectiva*, or "IIC") management company, COBAS is required to have a remuneration policy for all personnel that is consistent with sound and effective risk management, is conducive to this type of management and does not provide incentives for taking risks that are incompatible with the risk profiles, fund rules or bylaws of the managed CISs.

The Board of Directors recognises the importance of aligning the remuneration of its directors, managers and employees with the business strategy, risk tolerance and interests of both the Entity and all its clients, encouraging sound and prudent risk management in accordance with the investment policy followed by CISs, based on fundamental analysis of companies without resorting to leverage or using derivative financial instruments that involve the assumption of high risks.

This policy (the "Remuneration Policy" or the "Policy") establishes the basis for the remuneration policies and practices of all COBAS professionals and, in particular, those of the group with an impact on the Entity's risk profile ("Identified Group").

2. GOVERNING LAW

The applicable regulatory framework consists mainly of the following texts:

- Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 ("UCITS Directive").
- ESMA Guidelines on Appropriate Remuneration Policies under the UCITS Directive [ESMA2016575-EN] ("ESMA Guidelines").
- Act 22/2014 of 12 November 2014 regulating venture capital entities, other closed-end collective investment entities and closed-end collective investment entity management companies, and amending Act 35/2003 of 4 November 2003 on collective investment schemes (*Ley de instituciones de inversión colectiva*, or "LIIC").
- Royal Decree 1082/2012 of 13 July 2012 approving the Regulations implementing Act 35/2003 of 4 November 2003 on collective investment schemes (*Reglamento de instituciones de inversión colectiva*, or "RIIC").
- 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.

3. GENERAL PRINCIPLES GOVERNING REMUNERATION POLICY

The Remuneration Policy for COBAS professionals is governed by the general principles described below:

- Multiple elements: Total remuneration shall be made up of a set of instruments that, both in terms of their content (monetary and non-monetary), security (fixed and variable) and time horizon, as well as their purpose, allow the remuneration to be adjusted to the needs of the Entity and its professionals.
- Prudent and effective risk management: The Remuneration Policy shall be consistent with sound and effective risk management, shall encourage this type of management and shall not provide incentives for taking risks that are incompatible with the risk profiles, fund rules or bylaws of the CISs they manage.
- Alignment with long-term interests: The remuneration policy will be compatible with the business strategy, the objectives, the values and the long-term interests of the Entity, and include measures to avoid conflicts of interest. Specifically, the Entity's remuneration policy will be aligned with the objective of generating a social impact for the Company, its related persons and the environment, as reflected in the Articles of Association.
- Appropriate proportion between fixed and variable components: The fixed component shall constitute a sufficiently large part of the total remuneration, so that there is full flexibility with respect to the variable components such that it is possible that no variable component remuneration be paid at all.

In cases where variable remuneration may represent a significant proportion of the total, there shall be separate and independent controls to ensure alignment with the risk management policy and objectives established by the Entity.

- Flexibility and transparency: The principles and conditions of the Remuneration Policy for each group and category shall be explicit and known to the Entity's professionals, always prioritising transparency in terms of remuneration.
- Supervision and effectiveness: The administration body of the Entity, with the support of the Remuneration Committee, in its supervisory function, will adopt and periodically review the general principles of the Policy and will be responsible for its supervision to ensure its effective and proper application.
- Independence and avoidance of conflicts of interest: The professionals involved in risk management or who perform control functions shall have the necessary authority and shall be compensated according to the achievement of the objectives linked to their functions, regardless of the results of the business areas they control.
- Internal and external equity: The Remuneration Policy shall reward the level of responsibility and career path of the Entity's employees, ensuring internal equity and external competitiveness. Thus, remuneration will be aligned with best market practices, ensuring that the overall remuneration and remuneration structure are competitive to facilitate the attraction and retention of talent.
- Transparency, both internally and externally, with the entity's remuneration policy being made public, as well as in terms of consistency with sustainability risks.
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4. GENERAL REMUNERATION SCHEME

The remuneration scheme for all the Entity's professionals, including the Chief Executive Officer, consists of fixed and variable elements, depending on the professional category, functions performed, responsibility and performance.

The Entity periodically reviews its overall remuneration positioning in relation to the market, taking into account the specific characteristics of its business, its size and the conditions of the markets in which it operates.

4.1 Fixed remuneration

The purpose of fixed remuneration is to remunerate personnel on the basis of the tasks performed, professional experience and responsibility assumed. It shall constitute a sufficiently high part of the total remuneration and in all events be high enough to allow variable remuneration to be eliminated.

The Entity establishes fixed remuneration based on criteria of internal equity and external competitiveness in the market. The Entity assigns each professional a certain level of remuneration within this positioning in accordance with the level of training, degree of responsibility, the company's situation, required knowledge, level of experience and professional category within COBAS.

The fixed remuneration levels for each position are subject to annual review by the Entity. The parameters for the progression of fixed remuneration within the respective professional category and function include, among others, performance evaluation, inflation, productivity, potential, degree of responsibility, level of experience, level of training and the Entity's prospects.

4.2 Variable remuneration

The remuneration package for certain professional categories of the Entity includes the possibility of receiving variable elements of remuneration on an annual basis.

Variable remuneration in the Entity may be composed of two elements:

- Annual variable remuneration based on the objectives assigned to each professional ("Annual Variable Remuneration" or "AVR").
- Corporate variable remuneration, individually received, linked to the Entity's earnings performance ("Profit Sharing").

The receipt of variable elements of remuneration is conditional, in any case, on the fulfilment of previously established objectives, is not guaranteed and does not vest.

The objectives to which variable remuneration is pegged can be corporate, area and individual. In turn, the Entity ensures that an appropriate mix of financial and non-financial, quantitative and qualitative objectives is established and reviewed annually and made known at the beginning of the year. These objectives may include ESG (environmental, social and corporate governance) objectives in line with the company's long-term objectives and for its sustainability.

In accordance with the provisions of the applicable regulations, variable remuneration will only be guaranteed on an exceptional basis in cases of hiring new employees, and provided that the Entity has a healthy and solid capital base, and will be limited to the first year of employment.

Notwithstanding the foregoing, in accordance with this Policy, the Entity may:

- Annually review the nature, characteristics, composition and conditions of the variable elements of remuneration.
- Exceptionally pay a signing bonus to newly hired employees, payable in a single payment within six (6) months from the signing date.
- Establish variable elements in the medium or long term, always linked to the fulfilment of objectives and to the strategy and interests of the Entity.
- Any other elements of variable remuneration that respect the principles of the Policy and the requirements of the applicable regulations.

In general, in order to receive variable remuneration, the employee must have worked at least 90 consecutive days in the calendar year, have joined the Company before 30 June and remain with the Company as of 31 December of the year of accrual. Exceptions to this rule must be duly justified and have the prior approval of the Remuneration Committee, always taking the performance of the employees into account.

4.2.1 Annual variable remuneration based on objectives ("AVR")

The COBAS professionals determined from time to time by the Entity, including the Chief Executive Officer, are entitled to participate in an annual variable remuneration scheme.

The AVR scheme allows for the receipt of specific remuneration linked to the fulfilment of corporate, area or individual objectives (including individual projects), established for each position on an annual basis, the degree of achievement of which is measured through a combination of quantitative and qualitative metrics.

4.2.2 Profit Sharing

The remuneration of certain COBAS professionals includes a Profit Sharing scheme that aims to establish a common link among all participants, incorporating an element of variable reward depending on the success of the corporate project.

Profit Sharing will reward loyalty and track record in the Entity, so that the main objective of this variable remuneration element is that all COBAS employees may participate in it in the future.

The Entity will develop the rules for access to, participation in and payment of the Profit Sharing, including the ex ante and ex post adjustments applicable to the members of the Identified Group.

4.3 Employee welfare commitments

At the time of approval of this Policy, COBAS has no employee welfare schemes in place for any of the Entity's professionals.

4.4 Employee benefits

The Entity complements the remuneration package for most of its professionals with employee benefits, which include, among others:

- The Entity's group medical insurance.
- Others established by the Entity in the future, either in addition to or as a substitute for gross remuneration (i.e., flexible remuneration schemes).

4.5 Payments for early termination of contracts

Payments for early termination will be based on performance over time and be established so that poor performance is not rewarded.

5 SPECIFIC REQUIREMENTS APPLICABLE TO THE IDENTIFIED GROUP

5.1 Purpose and scope

The purpose of this section is to define the specific characteristics for setting and applying the Remuneration Policy for members of the COBAS Identified Group, in compliance with article 46 bis of the LIIC.

In particular, the Policy sets forth the principles and conditions governing the establishment and, if applicable, payment of any variable elements of the remuneration of members of the Identified Group, for the following purposes:

- To achieve an appropriate balance between the interests and business objectives of the Entity and the effort and professional motivation of the Identified Group.
- To promote sound and effective risk management that does not entail excessive risk taking by the Identified Group.

The variable remuneration elements referred to are the Annual Variable Remuneration, Profit Sharing and any other current or future remuneration component that, in accordance with the regulations and the regulator's criteria, must be classified as a variable component or does not fit within the fixed remuneration components, with the exception, if applicable, of the signing bonus.

5.2 Variable remuneration requirements

5.2.1 Proportion with respect to fixed remuneration

The Board of Directors shall be responsible for determining and reviewing, on an annual basis, for each professional included in the Identified Group, the proportion that the variable remuneration component should represent with respect to his or her fixed remuneration.

As a general principle, the Entity has established that the sum of the variable elements of the remuneration of the members of the Identified Group may not exceed 200 percent of the fixed components, without prejudice to the application of the principle of proportionality established in section 5.5 of this Policy.

5.2.2 Deferral clause

The payment of any element of variable remuneration accrued by a member of the Identified Group shall be subject to the deferral clause established by the Entity for this purpose.

Deferred amounts will accrue no interest.

5.2.3 Payment on contributions to Collective Investment Schemes and withholding periods

50 per cent of any variable remuneration element accrued by a member of the Identified Collective, both deferred and non-deferred, shall be paid by means of contributions to his unit account of the units of the CIS managed by the Entity. In this way, the units acquired by means of this contribution, both the deferred and the non-deferred part, must be held in the portfolio for a minimum of one (1) year from the date of acquisition.

5.2.4 *Ex post* remuneration adjustments

The variable remuneration, including the deferred portion, will be paid or accrued only if it is sustainable in accordance with the financial position of the Entity as a whole, and if it is justified by the performance of the entity, the business unit and the person in question.

Thus, COBAS will establish clauses for the reduction of variable remuneration (malus clauses) and for the recovery of variable remuneration paid (clawback clauses) which may apply to up to 100% of the total variable remuneration, in cash or in units of the CISs.

5.3 Termination or golden parachute payments

Payments for early termination of a contract will be based on performance over time and be established so that poor performance is not rewarded.

5.4 Employee welfare commitments

At present, COBAS has no employee welfare schemes in place for any of the Entity's employees.

If the Entity recognises an employee welfare right for a member of the Identified Group that may be classified as a discretionary pension benefit, the treatment established in the prudential rules in force shall apply, which shall be regulated in the corresponding contract, regulation or policy, as applicable.

Alternatively, the Entity promotes an Employment Pension Plan (EPP) under transparent and analogous conditions for all employees.

5.5 Principle of proportionality

The application of the principles, conditions, requirements and limitations set forth in this section shall be proportional to the size of the Entity, its internal organisation, and the nature, scope and complexity of its activities.

As established in the regulations, the application of the principles, conditions, requirements and limitations set forth in the Remuneration Policy, in particular those relating to the remuneration of the Identified Group, shall be applied in accordance with the internal organisation of the Entity and in proportion to its size and the nature, scope and complexity of its activities.

For this purpose, the Entity shall take into account, among others, criteria such as its size, internal organisation and the nature, scope and complexity of its activities, in addition to the hierarchical rank, volume and proportion of the variable component of the remuneration package with respect to the fixed component, the magnitude of the obligation that a risk generator may assume on behalf of the institution, and the characteristics of the Entity's line of business in which the member of the Identified Group provides his or her services.

5.6 Prohibition of hedging transactions

Personal hedging or insurance strategies related to remuneration and liability that undermine the effects of alignment with sound risk management promoted by the remuneration schemes shall not be used.

Specifically, members of the Identified Group may not engage in hedging transactions of any kind or take out any insurance on variable remuneration, in cash or in instruments that has been deferred and is pending payment in accordance with this Policy.

6 CONTROL AND SUPERVISION OF THE POLICY

The Board of Directors of COBAS, with the support of the Remuneration Committee, is responsible for establishing a system of control and supervision of the specific requirements of the Remuneration Policy applicable to the Identified Group to ensure compliance with and effective application of the provisions of the Policy.

Once a year, an internal, central and independent evaluation will be carried out of the application of the Identified Group Remuneration Policy.