



REMUNERATION POLICY

25.06.2026

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Contents

1. Introduction.....	3
1.1. Objective of this policy	3
1.2. Legal references	4
1.3. Definitions.....	5
2. Roles and responsibilities	6
2.1. Shareholders	6
2.2. Board of directors.....	6
2.2.1. In general	6
2.2.2. Remuneration and Nomination committee.....	7
2.3. Authorised Management	7
2.4. The 3 lines of defense.....	8
2.4.1. Human resources (1 st LOD)	8
2.4.2. Compliance & risk department (2 nd LOD)	8
2.4.3. Internal audit (3 rd LOD).....	9
3. Principles governing MCEU's sound remuneration	9
3.1. Our compliance with our principles	9
3.2. Principles applicable to Staff.....	10
3.2.1. Fixed remuneration.....	11
3.2.2. Variable remuneration.....	12
3.2.3. Sustainability in compensation	16
3.3. Specific principles applicable to identified staff/material risk takers ("MRT") 16	
3.3.1. Identification.....	16
3.3.2. Assessment of the performance	16
3.4. Variable remuneration for non-executive directors.....	17
4. Reporting obligations	17
4.1.1. Generic reporting	17
4.1.2. Higher ratio.....	17
4.1.3. Other reports	18
5. Internal references	18
6. Appendices	19

1. Introduction

1.1. Objective of this policy

The purpose of the remuneration policy (hereinafter the "Policy") is to detail the principles that apply to the remuneration of Mirabaud & Cie (Europe) SA (hereinafter "MCEU" or "the Bank") Staff Members.

Those principles are:

- Promotion of a Sound and Effective Risk Management
 - Ensure that the structure of remuneration does not encourage excessive risk-taking.
 - Align incentives with the strategy of the Bank, its long-term risk profile and the sustainability of the organization.
- Ensure Compliance with Regulatory Standards
 - Adhere to the principles established under EU frameworks such as European Banking Authority guidelines and the related CSSF Circulars
 - Meet specific requirements for transparency, proportionality, and governance in the remuneration structure.
- Support Good Corporate Governance
 - Foster a culture of accountability and integrity within the organization.
 - Ensure clear roles and responsibilities for the oversight and implementation of the Policy, including board-level approval and periodic reviews.
- Encourage Long-Term Value Creation
 - Establish a link between employee and shareholder interests.
 - Incorporate mechanisms like deferral, retention, and claw back to focus on sustainable, long-term results.
- Attract and Retain Talent
 - Provide a competitive yet responsible remuneration structure to attract and retain skilled employees.
 - Balance fixed and variable components to ensure stability and motivation.
- Promote Gender Neutrality and Fairness
 - Ensure equal pay for equal work, irrespective of gender or other discriminatory factors.
 - Design remuneration frameworks that align with principles of diversity and inclusion.
- Ensure Transparency and Accountability
 - Clearly communicate the Policy to all stakeholders, including employees
 - Provide disclosures on remuneration practices, as required by EU regulations, to ensure transparency and accountability.
- Foster ESG
 - Implementation of a structured governance framework articulated around dedicated internal management committees within the different scopes of activities (Risk, Compliance, ALM, Operations, etc.) across all business lines with clearly defined roles, responsibilities and escalation processes to guarantee a sound and accountable management of MCEU's ESG-related risks and opportunities.
 - Individual ESG objectives are systematically assigned to all MCEU employees, tailored to their function and seniority level (e.g. portfolio managers: ESG integration in investment decisions; risk teams: climate risk assessment;

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operations: carbon footprint reduction targets), in direct alignment with MCEU ESG Strategy with the objectives of integrating ESG into daily activities and strengthening the overall ESG culture. Performance against these objectives is formally assessed as part of the annual appraisal process.

The Policy undergoes an annual review conducted by the Human Resources function, with assistance from the Internal Control Functions. This review aims to ensure the Policy remains relevant and aligned with the risk management objectives set for Senior Management. It also evaluates the system's effectiveness in adapting to regulatory changes and the evolving competitive landscape.

This Policy applies to all of MCEU's Staff Members (including its Tied Agents) and to its management bodies members (Board and Exco), including at its branch offices in France, Spain and the United Kingdom, to the extent however that local rules are not more restrictive.

The Policy is communicated to all of MCEU's Staff Members and can be viewed on a dedicated shared directory.

1.2. Legal references

- The Luxembourg Law of 5 April 1993 related to the Financial Sector and its following amendments made in 2015 and 2021, mentioned here below:
 - The Luxembourg Law of 23 July 2015 transposing the EU Directive 2013/36/EU of the European Parliament and Council of 26 June 2013 that amends the EU Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, hereinafter referred to as "CRD IV".
 - The Luxembourg Law of 20 May 2021 transposing the EU Directive 2019/878, hereinafter referred to as "CRD V", which amends the Luxembourg Law of 5 April 1993.
- Circular CSSF 15/622 issued on 21 October 2015 concerning the notification procedure of a higher ratio applicable to the remuneration policy pursuant to Article 94, paragraph 1, point g) (ii) of the CRD IV Directive following its transposition into Luxembourg law by Article 19, 7°, point g) of the law of 23 July 2015.
- Circular CSSF 21/773 issued on 21 June 2021 on the Management of Climate-related and Environmental Risks.
- Circular CSSF 22/797 issued on 31 January 2022 adopting the Guidelines of the European Banking Authority on sound remuneration policies (EBA/GL/2021/04) ("EBA Guidelines") of 2 July 2021.
- Circular CSSF 24/858 issued on 27 June 2024 on the application of the Guidelines of the European Banking Authority ("EBA") on benchmarking of diversity practices, including diversity policies and gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034 (EBA/GL/2023/08).
- EBA Guidelines GL/2022/06 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU
- EBA Guidelines GL/2022/08 on the data collection exercises regarding high earners under Directive 2013/36/EU and under Directive (EU) 2019/2034
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

MIRABAUD

- EBA Guidelines GL/2023/08 on benchmarking of diversity practices, including diversity policies and gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034
- Commission Delegated Regulation (EU) No 923/2021 of 25 March 2021 complementing the Directive 2013/36/EU of the European Parliament and Council with technical regulatory standards as regards appropriate qualitative and quantitative criteria for identifying the categories of staff whose professional activities have a significant impact on an institution's risk profile.
- Regulation (EU) No 575/2013, Article 450, of the European Parliament and Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
- Regulation (EU) No 219/876 of the European Parliament and Council of 20 May 2019 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 575/2013 and No 648/2012.
- 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 (Text with EEA relevance) ("SFDR").
- EU Pay Transparency Directive (2023/970)

1.3. Definitions

- **Board of Directors** or MCEU's Board of Directors: The Board of Directors of MCEU.
- **RemCo**: the MCEU's Remuneration and Nomination Committee
- **Control Functions or internal control functions**: the internal control functions of MCEU, i.e. internal audit, compliance and risk management departments.
- **Collective Bargaining Agreement (CBA)**: The collective bargaining agreement for bank employees as negotiated from time to time between the Luxembourg Bankers' Association (ABBL) and the trade unions. It regulates the general terms of work between the member banks of the association and their Staff Members whose employment agreements are fully subject to the CBA.
- **Deferral Document**: "Mirabaud Deferred Plan – Staff Member Information Document – EUR" document.
- **Director**: A member of the Board of Directors.
- **ESG**: Environmental, social and governance.
- **Independent Director**: Director who is not linked to a company that is part of Mirabaud Group by virtue of an employment agreement.
- **Identified Staff or Material risk taker**: Staff Members whose professional activities have a material impact on MCEU's risk profile and which are determined based on the qualitative or quantitative criteria defined in the EU delegated regulation n°2021/923 (or on the basis of any further regulation completing/replacing the same).
- **Internal Director**: Director who is linked to a company that is part of Mirabaud Group by virtue of an employment agreement.
- **Mirabaud Group**: MCEU and all its parent, subsidiary and Affiliate companies, whereby an Affiliate company refers to any company MCEU or its parent or subsidiary companies hold(s) an equity interest in.
- **Authorised Management**: as defined in the law of 5 April 1993 on the financial sector, as modified.

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- **Staff Member(s) or Staff:** MCEU's entire workforce which is linked to MCEU via an employment agreement or a Tied Agent contract, including the members of the MCEU's Authorised Management and Board of Directors
- **Tied Agent: an entity who, under the full and unconditional responsibility of only one firm on whose behalf the tied agent acts, promotes investment and/or ancillary services to clients or prospective clients, receives and transmits instructions or orders from the client in respect of investment services or financial instruments, places financial instruments or provides advice to clients or prospective clients in respect of those financial instruments or services. Since the tied agent is not an employee of the Bank, the Policy is applicable to them, unless the context otherwise requires.**

2. Roles and responsibilities

2.1. Shareholders

The shareholders play 2 main roles in the Remuneration framework of the Bank:

- They approve higher ratios as mentioned in paragraph 3.3.2.2.
- They approve the remuneration of Directors, as mentioned in paragraph 3.4.

2.2. Board of directors

2.2.1. In general

As described in the Terms of Reference of the Board of Directors, the Board plays a critical role in the design, oversight, and implementation of a remuneration policy, particularly in ensuring compliance with legal and regulatory standards.

The Board is responsible for reviewing and approving the remuneration policy. The members of the Board ensure that the policy aligns with the Bank's strategic objectives, risk management framework, and regulatory requirements.

The Board oversees the Policy's implementation to ensure it promotes sound risk management and does not encourage excessive risk-taking. It monitors the effectiveness of the Policy in achieving its objectives, including aligning employee incentives with long-term shareholder interests.

In line with Article 38-6, 3^e(2) of the LSF, the Bank: is not a large institution in the meaning of point (146) of Article 4(1) of Regulation (EU) No 575/2013; and ii. has reported average value of its assets on an individual basis (i.e., non-consolidated) over the four-year period immediately preceding the current financial year which is below 5 billion (SEE APPENDICE 1). On that base, and pursuant to the principle of proportionality, the Board of Directors has decided to forego the application of the following principles:

- Awarding 50% of variable remuneration amount in the form of financial instruments.
- Retention policy;
- Deferral of a portion of the variable remuneration amount as foreseen under CRD V (an alternative deferral model reflecting Swiss requirements and practices relevant to Mirabaud Group is applied);

To enhance the management of remuneration and to support the Board in the implementation and the review of the nomination and remuneration policies, the Board has

MIRABAUD

decided to establish a [Specialized](#) Committee dedicated to remuneration and nomination ("RemCo") and has approved its Terms of Reference by resolution dated 2 April 2025.

2.2.2. Remuneration and Nomination committee

The RemCo derives its authority from the Board to which it regularly reports.

As described in the Terms of Reference of the RemCo, it shall consist of at least 3 members appointed by the Board among its non-executive members. Members of such committee must possess the necessary professional expertise, including knowledge of relevant regulatory framework, as well as a strong understanding and experience in nomination and remuneration practices. Additionally, they should demonstrate the personal qualities essential for effectively fulfilling their responsibilities, both individually and collectively.

This committee has amongst others the following roles and responsibilities, as per its Terms of Reference:

- Policy Development and Approval

The committee assists HR and 2LOD departments in formulating the remuneration policy, ensuring it aligns with the company's strategic goals and regulatory requirements. It reviews and recommends the Policy for approval by the Board of Directors.

- Setting Executive Compensation

The committee determines remuneration packages for Authorised Management. It ensures Authorised Management pay is competitive yet aligns with the company's performance and risk objectives.

- Risk and Compliance

The committee ensures the remuneration policy promotes sound risk management and complies with relevant laws and regulations, such as EU directives. It implements mechanisms (e.g. retention, if applicable) to align pay with long-term goals.

- Fairness and Equity

The committee ensures gender-neutral pay practices and fairness across all levels of the organization. It reviews pay structures to avoid discrimination and encourage diversity and inclusion.

- Monitoring and Evaluation

The committee regularly reviews remuneration practices to ensure effectiveness and relevance. It evaluates whether the pay structure motivates employees while avoiding excessive risk-taking.

- Stakeholder Communication

The committee oversees the preparation of remuneration disclosures required for shareholders, regulators, and other stakeholders.

- ESG

The committee ensures ESG requirements are fully implemented in the remuneration practices of the Bank (ESG objectives for the staff to ensure alignment with ESG strategy of the Bank, reviewing the alignment between the Risk Appetite of the Bank and the remuneration framework to ensure the long-term sustainability of the Bank).

2.3. Authorised Management

MIRABAUD

The Authorised Management plays a critical role in the Policy implementation and the remuneration process.

According to the Terms of References of the Authorised Management, its members are responsible for setting the compensation of the Staff, ensuring decisions are consistent with internal grading and market benchmark

They ensure the respect of equal pay and play a key role in ensuring a fair performance management assessment.

Finally, they contribute to the information flow shared with the Board of directors (and the RemCo) and the shareholders, ensuring transparency and alignment with MCEU's overall remuneration governance framework.

2.4. The 3 lines of defense

2.4.1. Human resources (1st LOD)

The Human Resources are involved in the following:

- Collaborate with the Control Functions, the Authorised Management, the Board of Directors, and the Remuneration Committee to draft and periodically review the remuneration policy.
- Roll out the remuneration policy across the organization.
- Ensure that all employees understand the Policy, including its objectives and key provisions
- Maintain gender-neutral pay practices and support diversity and inclusion initiatives.
- Conduct annual reviews of the Policy to ensure its relevance, consistency, and effectiveness in meeting organizational objectives.
- Provide data and analysis to support the Board and the RemCo in decision-making and regulatory reporting.
- Work alongside Control Functions to ensure the remuneration policy aligns with sound risk management practices.
- Advise Authorised Management and the Board on market trends, best practices, and legal updates related to remuneration.
- Offer guidance on specific cases, such as the remuneration of Material risk-takers or exceptional performance rewards.
- Act as a point of contact for employees with questions or concerns about their remuneration.
- Promote transparency and foster trust in the organization's pay practices.

2.4.2. Compliance & risk department (2nd LOD)

The 2nd LOD of defense has to ensure that:

- The remuneration policy and practices align with the bank's risk appetite and framework. Variable pay structures are evaluated to ensure they do not incentivize excessive risk-taking
- Risk-adjusted performance metrics are incorporated into remuneration plans
- The remuneration policy adheres to EU directives like CRD V, VI, Pay transparency, or EU regulations like MiFID II, and EBA guidelines, as well as local Luxembourgish requirements (CSSF regulations) and monitors the change in respect of those regulations

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- Remuneration practices are consistently applied and monitored through 2nd LOD controls and reports the findings in relation with those controls to the Authorised Management, the Audit and Risk Committee ("ARC"), the RemCo and the Board of Directors.

More precisely,

- The Chief Compliance Officer (or its deputy) and the Chief Risk Officer are assessing the KRIs defined in the Consequence Management procedure. This input is discussed on a yearly basis at the Consequence Management Committee and the final grading on Compliance, Risk and Business Ethics is decided by the Consequence Management Committee
- A yearly assessment is also done by the CCO and the CRO on the population who has left the Bank and still benefits from deferred bonuses.
- On a yearly basis, Compliance and Risk are assessing that the Remuneration Policy has been correctly applied throughout the year (variable pay corresponding to Policy, consequence management results, incentive scheme for Authorised Management and Key Function holders, ex-post risk assessment on deferred variable remuneration, integration of ESG resulting in an assessment of regulatory alignment, governance strength, risk sensitivity of incentives and residual risk assessment).
- The results of these controls are shared with the ARC and the RemCo and finally the Board on a yearly basis when discussions on reward are held.
- The Chief Risk Officer also assesses that the payment of bonuses doesn't endanger the respect of regulatory ratios, especially CET1.
- 2LOD ensures that the remuneration policy is published on Mirabaud website.
- Risk and Compliance departments take part in the annual identification of the Material Risk Takers.
- Compliance department communicates to the HR Department any new regulations to be taken into account with regard to remuneration practices.

2.4.3. Internal audit (3rd LOD)

The remuneration framework is assessed via a co-sourcing mission on an annual basis. Recommendations are then shared with the Authorised Management, the RemCo and the Board of Directors.

Internal audit also contributes to the preparation of the Consequence Management Committee by for example detailing the employees who are late in closing audit recommendations (cf Consequence Management procedure). Internal audit also review the list of Material Risk Takers before it is submitted to the ExCo for approval (cf MRT procedure).

3. Principles governing MCEU's sound remuneration

3.1. Our compliance with our principles

Principle	Examples of compliance with principle
Promotion of a Sound and Effective Risk Management	Business strategy Acceptance committees (e.g. CESR, NPC...) Consequence management Consideration for the whole financial results of the Bank or the Group

MIRABAUD

Ensure Compliance with Regulatory Standards	Regulatory watch Annual review of policies Internal audit
Support Good Corporate Governance	Reporting to the stakeholders by the 3 lines of defense
Encourage Long-Term Value Creation	Deferral mechanism
Attract and Retain Talent	9 box exercise Trainings Annual and semi-annual appraisal
Promote Gender Neutrality and Fairness	Diversity policy principles Pay transparency procedure Whistleblowing
Ensure Transparency and Accountability	Whistleblowing Pay transparency procedure Public disclosures
Foster ESG	Individual ESG objectives for all employees Governance Charter to ensure long-term sustainability of MCEU

3.2. Principles applicable to Staff

The Bank encourages employees to behave in a way that is in line with MCEU's business strategy, goals, values and long-term interests as well as with the Mirabaud Group's overall strategic targets, philosophy and values. The bank pays particular attention to the measures to take in order to avoid or reduce conflicts of interest. In particular, the Bank does:

- Not grant bonuses that incentivize the sale of specific, complex or high-risk products without proper justification based on the client's profile,
- Not accept inducements such as third-party commissions in the context of independent advice or portfolio management

The Bank's compensation model is based on the following elements: function, personal earnings, personal achievement, the contribution to the risk profile of MCEU and MCEU's success. Furthermore, this Policy is gender neutral in the sense that it ensures that Staff Members, independent of their gender, are equally remunerated for equal work or work of equal value in line with Article 3(1) point 65 of Directive 2013/36/EU and Article 157 of the Treaty on the Functioning of the European Union and the Pay Transparency Directive.

The remuneration is structured into two components: a fixed portion and a variable portion, both of which are paid entirely in cash. This approach provides clarity in payment methods while maintaining simplicity and transparency in the remuneration framework.

The fixed component constitutes a significant portion of the total remuneration, providing maximum flexibility for the variable component, including the possibility of foregoing variable

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pay entirely. The various elements of the remuneration package are carefully integrated to ensure a comprehensive and equitable structure that reflects the specific business unit, the staff member's qualifications and rank, their professional role, and prevailing market practices.

The Bank conducts regular benchmarking exercise to ensure the remuneration levels are aligned with the markets (e.g. KPMG remuneration survey or McLagan)

3.2.1. Fixed remuneration

The fixed component of employees' remuneration reflects factors such as:

- the responsibilities associated with the position,
- the required level of expertise,
- the degree of actual responsibility exercised,
- the professional experience gained,
- the seniority, and
- the market-standard remuneration for similar roles.

These factors are objective and not subject to discretion or performance evaluation. Additionally, where specified in the individual employment agreement between the Bank and the staff member, the provisions of the current version of the Collective Bargaining Agreement in Luxembourg also apply. In addition, the provisions of any applicable collective bargaining agreement, collective labor agreement or equivalent local arrangement shall also apply.

As a standard practice, Authorised Management, with input from line management, conducts an annual review of the appropriateness of each staff member's base salary, during the reward process. Adjustments may be made based on factors such as changes in role or hierarchical position, which could lead to either an increase or a decrease in base salary.

In Luxembourg, a fixed remuneration may be impacted by a Collective Bargaining Agreement (CBA) and is generally composed of the following elements:

- Monthly salary: all covered employees are guaranteed a minimum reference salary corresponding to their professional classification group, ensuring a baseline level of remuneration consistent with sectoral standards. Any reclassification to a higher group results in a minimum salary increase as stipulated by the CBA.
- Mandatory additional premiums provided by a CBA. A loyalty bonus is granted to all eligible employees based on their length of service within the organisation, with amounts increasing in line with seniority thresholds as defined by the CBA.
- In addition, an annual engagement allowance is allocated each year to recognise and reward individual commitment and contribution, distributed in accordance with the terms agreed between the ABBL and the representative trade unions (ALEBA, OGBL, LCGB).

For employees located in other jurisdictions, fixed remuneration may also be subject to applicable local laws, collective labor agreements, employment arrangements and market practices, as determined by the relevant entity or branch.

Allowances, such as those for shift work, overtime, night and weekend work, or lump sum expenses, are excluded from the fixed component of employees' remuneration.

The current benefits in kind provided to employees include luncheon vouchers, company car, health insurance and a pension scheme, which are considered part of the fixed remuneration. These benefits (except company car) are available to all employees. The employer's contributions to these schemes may vary depending on factors such as the employee's

MIRABAUD

classification, fixed remuneration level, and seniority within the Mirabaud Group. These benefits are designed to serve as a long-term incentive, aimed at fostering employee loyalty.

To ensure equal pay, the Bank has attributed a grading of each function and set-up a grid to classify employee by job function / grading. Range of remuneration doesn't take into account any gender considerations.

The information on the range of remunerations is available to any employee. They can ask for it (the Bank has maximum 2 months to come back to the employee) and they are reminded on a yearly basis that the information is available.

The Bank also ensures transparency on the criteria that will be used to evaluate the promotion of an employee (increased competencies, enlarged responsibilities, complexity and impact).

As of 2031 and every 3 years, the Bank will have to report information on gender pay gap.

3.2.2. Variable remuneration

As a principle, variable remuneration is not paid through vehicles or methods that facilitate the non-compliance with the CRD V Directive (EU) No 2019/878 or Regulation (EU) No 575/2013 (Capital Requirement Regulation "CRR").

3.2.2.1. Management of the performance

In general

The Banks enforces article 38-6 (1) of LSF when defining the principles applicable to its variable remuneration.

The basis on which variable remuneration amounts are calculated is determined by taking into account :

- the employee's individual performance, which includes both financial and non-financial criteria,
- MCEU's overall results and performance, and
- the overall performance of the wealth management business line of Mirabaud Group.

As a general rule, performance-based remuneration is allocated exclusively to staff members whose employment relationship is not governed by the CBA. Staff members covered by the CBA benefit from other specific advantages detailed above. However, in cases of extraordinary achievements, Authorised Management may choose to grant performance-based remuneration to staff members whose employment relationship is subject to the CBA.

The variable portion is based on the principle of pay-for-performance. It is not a guaranteed compensation and may vary depending on one or several of the performance factors mentioned below. It can even be zero. The general principle laid down in section "Guaranteed variable remuneration and buy-out bonuses" in relation to the prohibition of guaranteed variable remuneration shall apply to all Staff Members.

The assessment of the performance is based on quantitative and qualitative criteria. Performance evaluations are conducted within a multiannual framework to ensure they are based on sustained individual performance and are thoroughly documented. To guarantee that variable remuneration reflects risk-adjusted and long-term performance, performance measurement is applied at every stage, from the establishment of the bonus collective pool

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decided by the RemCo / Board of Directors to the actual individual allocation of remuneration.

The annual performance review process is standardized using a form defined by the Authorised Management and distributed to all staff members by the Human Resources function. The review considers:

- Achievement Levels:
 - Assessment of the staff member's contributions to the objectives of MCEU, their business unit, and their personal performance goals.
- Qualitative Evaluation of Work Performance:
 - Quality and quantity of work completed in alignment with the job description.
 - Dedication, motivation, and overall commitment to responsibilities.
 - Behavior, teamwork, cooperation with management, and compliance with rules and regulations.
 - Knowledge, skills, and understanding of the business.
- Evaluation of Line Management Functions:
 - Appraisal of leadership abilities and management responsibilities, where applicable.
- Conduct Evaluation:
 - Assessment of the employee's adherence to corporate values and ethical standards.
- Professional Development and Recommendations:
 - The line manager's guidance on career development, including, where necessary, binding measures for improvement.

These evaluations are conducted with a commitment to ensuring equal opportunities for all genders, reflecting the organization's principles of fairness and inclusivity.

Risk, Compliance and Business Ethics criteria are defined on a yearly basis, assessed every quarter for the relationship managers and on a yearly basis for all staff. The decision of the final impact on the variable remuneration is taken by the Consequence Management Committee.

The participants of the Consequence Management Committees are the:

- Chief Compliance Officer – Chairman of the committee and voting member;
- Chief Risk Officer – voting member;
- Head of Human Resources Europe – secretary, voting member;
- Head of Business Risk Management – voting member;
- Head of Legal – voting member.
- Head of Internal Audit – non-voting participant with standing invitation;
- Chief Financial Officer: non-voting participant upon invitation where the case under review involves considerations of a financial nature.

The head of Wealth Management or the head of branch is invited to review the population he/she supervises.

In case of a disagreement, escalations are made to the Executive Committee of MCEU for final decision.

The operational details can be found in the MCEU Consequence Management Procedure, as well as the Terms of Reference of the Consequence Management Committee.

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Relationship managers with contractual gratification

Certain designated relationship managers are entitled to specific contractual gratification. This gratification is calculated based on the net revenues generated by the assets of clients assigned to the employee, after deducting the employee's gross salary and a percentage of other associated costs.

If the expected return on assets falls short, the contractual gratification is proportionally reduced.

However, despite the use of a calculation formula, the final determination of the contractual gratification considers both the overall performance of MCEU and the consolidated performance of the wealth management business line within the Mirabaud Group. Any behavioral or compliance-related issues result in either a reduction or a cancellation of the contractual gratification. The impact is determined based on a series of criteria, which include compliance and risk metrics. Examples of such metrics are the concentration of high-risk clients, such as politically exposed persons (PEPs), and other relevant factors. These criteria ensure a thorough and objective evaluation of the influence on the Bank's risk profile.

Control Functions

The remuneration of the staff of the Control Functions is not linked to the performance of the activities they control and is not determined according to other criteria which compromise the objectivity of the work carried out by the Control Functions.

The remuneration of the Key Control Functions holders is determined by the Board of Directors, based on the recommendation of the Remuneration Committee and the Audit, Risk and Compliance Committee. The Authorised Management doesn't play any role.

3.2.2.2. Payment of variable remuneration

Principle

The variable remuneration in relation to a specific year, if any, is paid in cash during the first half of the following year.

Deferral

MCEU doesn't fall in the scope of the deferral scheme under CRD V. This point is verified on a yearly basis. The Mirabaud Group deferral scheme is nevertheless applied.

MCEU adopts an alternative model that defers a portion of the variable remuneration. This model applies exclusively to variable remuneration and excludes guaranteed variable remuneration and buy-out bonuses.

Variable remuneration is deferred over a three-year period based on the following criteria:

- If the annual variable remuneration exceeds EUR 45,000 and the total annual remuneration amounts to at least EUR 225,000, 20% of the annual variable remuneration will be deferred.
- If the annual variable remuneration exceeds EUR 45,000 and the total annual remuneration amounts to at least EUR 450,000, 30% of the annual variable remuneration will be deferred.

Additional information on the deferral of variable remuneration can be found in the Deferral Document (to be requested to the human resources department).

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Guaranteed variable remuneration and buy-out bonuses

The allocation of fixed bonuses contradicts the performance-based remuneration principles of MCEU. Therefore, MCEU generally refrains from contractually agreeing on the value of any variable remuneration. However, under exceptional circumstances, a specific *target bonus* may be agreed upon (e.g., a bonus tied to the achievement of specific financial objectives, such as net client profitability). Even in such cases, the payment remains at the discretion of the organization.

MCEU may offer "welcome packages" (one-time payments or agreed cash bonuses) to secure the services of new staff members in highly competitive labor markets. These welcome packages are strictly limited to the first year of employment and require explicit approval from Authorised Management. For new Authorised Management hires, such packages must be approved by the Board of Directors, upon the recommendation of the RemCo.

Any remuneration provided to compensate for or buy out previous employment contracts is designed to align with MCEU's long-term interests. This includes considerations of retention, performance, and claw-back mechanisms. Approval processes for these payments are identical to those required for "welcome packages."

Severance payment

Severance payments are made in compliance with applicable labor laws or, where relevant, the provisions of the Convention Collective. MCEU prohibits any advance contractual agreements regarding severance payments. Payments related to the early termination of an employment contract must correspond to the staff member's actual performance during their tenure and cannot reward failure or misconduct. Severance payments may also be issued in the context of settlement agreements, particularly to resolve or avoid labor disputes that could otherwise result in lengthy and costly court proceedings, with the risk of dismissal being deemed irregular, unfair, or void. Where necessary, MCEU may seek advice from internal or external specialists to assess the likelihood of a dismissal being deemed irregular, unfair, or void by labor courts.

For identified staff (see below), any severance payments exceeding the minimum requirements under labor law or the Collective Bargaining Agreement must be approved by Authorised Management. If the severance concerns a member of Authorised Management or the head of a Control Function, approval must be obtained from the RemCo and the Board of Directors.

Full or partial cancellation or reimbursement of variable remuneration: malus and clawback

The payment of variable remuneration is based on the premise that, during the period when the Staff member was working with MCEU, he/she fully observed the law and regulations specific to MCEU.

In case fraud is observed after the award of variable remuneration, and in cases where it has been granted on the basis of intentionally erroneous information, MCEU reserves the right to claim back the part of the variable remuneration which might already have been paid, or at least to recover equivalent damages and interest, in cases where MCEU might have suffered a significant loss.

Mirabaud reserves the right to require repayment of any improperly granted bonus payments or to withhold awarded remuneration in circumstances such as the following:

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- Proven misconduct or a serious error by the staff member (e.g., violations of the code of conduct or other internal rules, policies and procedures, particularly those relating to risk management).
- A significant decline in the financial performance of the institution and/or its business unit (e.g., specific business indicators).
- A material failure of risk management within the institution and/or the business unit where the identified staff member is employed.
- Substantial increases in the institution's or business unit's economic or regulatory capital requirements.
- Regulatory sanctions (e.g., punitive, administrative, or disciplinary actions) resulting from the staff member's conduct that contributed to the sanction.

3.2.3. Sustainability in compensation

The Bank supports long-term value generation and develops respect for social and governance norms. The Policy establishes that employees act responsibly while balancing the interests of stakeholders, clients and the business.

Variable compensation is tied to both corporate and individual success, and it is in line with long-term goals. Performance is evaluated through a thorough appraisal that places an emphasis on contribution, goal attainment, risk management, risk awareness, value-based behavior, and proper conduct.

3.3. Specific principles applicable to identified staff/material risk takers ("MRT")

3.3.1. Identification

In accordance with the provisions of Article 38-5 (2) of the Law of 5 April 1993 on the Financial Sector (LFS) and Commission Delegated Regulation (EU) 2021/923, the Bank applies the qualitative and quantitative criteria outlined in these regulations to identify its material risk-takers (SEE APPENDICE 2).

An annual assessment is conducted to compile a list of all material risk-takers, which includes the specific criteria used for their identification. This list is maintained securely by the Human Resources department, after submission to the RemCo and final approval by the Board of Directors.

It is important to emphasize that receiving remuneration is not a mandatory requirement for being classified as a Material Risk-Taker (MRT). For instance, a director of MCEU who is an employee of Mirabaud Group, even though they do not receive specific remuneration from MCEU, are identified as MRTs. Similarly, the receipt of variable remuneration is not a defining criterion for MRT designation. Consequently, an independent or external director will also be classified as an MRT based on their role and responsibilities within the organization.

3.3.2. Assessment of the performance

3.3.2.1. In general

The performance of all Material Risk-Takers (MRTs) will be evaluated to assess their impact on the Bank's risk profile. For MRTs who do not receive remuneration, this evaluation will be conducted through the periodic suitability assessment, both at the individual and collective levels. For MRTs with variable compensation, both quantitative and qualitative targets will be taken into account, based on the objectives set at the beginning of the year.

3.3.2.2. Specific Management of higher ratio for MRT

In general, the variable remuneration for all employees will remain significantly lower than the fixed remuneration.

However, the Bank's shareholders may authorize a higher ratio between the fixed and variable components of remuneration, provided that it complies with Article 38-6 g) ii) of the amended Law of 5 April 1993 on the financial sector, as well as the requirements of Circular CSSF 15/622 for material risk taker.

Notably, even in such cases, the total variable remuneration component cannot exceed 200% of the fixed component of the overall remuneration.

The effective ratio between variable remuneration awarded and fixed remuneration should increase with the performance achieved and include levels of awards that would only be achieved for performance which is 'above target' or 'exceptional'. Those aspects must be demonstrable.

All higher ratios must adhere to a specific process outlined in section 4.

All the amounts in terms of fixed and variable remuneration are calculated on a gross basis and in full time equivalent terms.

The reference year taken into account in the calculation of the total remuneration is the year preceding the exercise for which the variable remuneration is granted.

3.4. Variable remuneration for non-executive directors

The General Meeting of the Shareholders of MCEU approves the remuneration of the Members of the Board of Directors, if any.

Non-executive directors do not receive variable remuneration.

The fixed remuneration of non-executive directors of MCEU for the exercise of their mandates is set by the Annual General Meeting of Shareholders of MCEU, to the extent permitted pursuant to the applicable rules.

A director of MCEU who is an employee of Mirabaud Group doesn't receive any remuneration for the exercise of his/her director mandate.

4. Reporting obligations

4.1.1. Generic reporting

The Human Resources department is tasked with presenting insights on their activities and the overall functioning of the bank to the Board of Directors at least once a year and quarterly with the Authorised Management. Additionally, the 2nd Line of Defense (LOD) provides quarterly updates to the Board of Directors and Authorised Management. These updates include key risk indicators (KRIs) and findings from their control activities.

Both departments play an advisory role in supporting the Board of Directors and the specialized committees in fulfilling their responsibilities. Specifically, regarding Material Risk-Takers (MRTs), they collaborate to compile the MRT list and provide justifications for the status of each identified staff member.

4.1.2. Higher ratio

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The notification procedure outlined in Article 38-6 (1) g) of the LFS, as specified in Circular CSSF 15/622, involves the following steps:

1. Identification of Material Risk-Takers (MRTs):
 - Identify all staff members classified as MRTs, applying qualitative and quantitative criteria.
 2. Calculation of Variable Remuneration:
 - Determine the variable remuneration based on the principles set forth in the Policy.
 3. Recognition of Higher Ratios:
 - Identify any potential higher ratios between fixed and variable remuneration.
 4. Presentation to the RemCo and the Board of Directors:
 - Submit the identified higher ratios for approval by the Board of Directors, accompanied by detailed recommendations.
 - Submit the MRT list to the RemCo, then to the Board of Directors, for approval
 5. Shareholder Convocation:
 - Convene shareholders for a vote on the approval of the higher ratios.
 - Provide detailed recommendations, including the rationale, scope of approval sought, the number of staff affected, their functions, and the anticipated impact on maintaining a sound capital base.
 - Ensure sufficient notice is given in advance.
- 5.1. Notification to Competent Authorities (Notification A):
- Inform the competent authorities of the recommendation submitted to shareholders.
 - Provide the proposed higher maximum ratios and the justification. The Bank must demonstrate that the higher ratio does not conflict with its obligations under Directive and Regulation (EU) No 575/2013, particularly in regard to its own funds requirements.
- 6.1. Shareholder Voting (according to quorum and majority as provided in the Articles of Association of the Bank):
- 6.2. Notification to Competent Authorities (Notification B):
- Immediately notify competent authorities of the shareholder decisions regarding the approval of higher maximum ratios.

NB : staff directly affected by the higher maximum levels of variable remuneration are prohibited from exercising voting rights they hold as shareholders, owners, or members of the institution, either directly or indirectly

4.1.3. Other reports

The Bank also participates to the following data collection exercises:

- Approved higher ratios data collection of all credit institutions
- High earners (earning more than €1m) data collection of credit institutions. UK staff being outside of the EU is excluded

5. Internal references

Reference	Internal document
1	Gender diversity policy
2.	ToR Remuneration Committee
3	Consequence Management Procedure
4.	ToR Consequence Management Committee

6. Appendices

Appendice 1 Proportionality - CET1

Date of assessment	Total non-consolidated balance sheet	Minimum capital requirement	Common Equity Tier 1 capital
31.12.20	553 104 341 EUR	8 700 000 EUR	23 163 639 EUR
31.12.21	619 333 097 EUR	8 700 000 EUR	27 786 719 EUR
31.12.22	466 515 100 EUR	8 700 000 EUR	29 558 246 EUR
31.12.23	526 589 422 EUR	8 700 000 EUR	29 342 533 EUR
31.12.24	392 192 432 EUR	8 700 000 EUR	26 434 700 EUR
31.12.25	473 483 218 EUR	8 700 000 EUR	27 629 122 EUR

Appendice 2 List of criteria to identify MRT

Qualitative criteria

Staff shall be deemed to have a material impact on the institution's risk profile where any of the following qualitative criteria are met:

- (1) the staff member is a member of the management body in its management function
- (2) the staff member is a member of the management body in its supervisory function
- (3) the staff member is a member of the senior management
- (4) the staff member has managerial responsibility over the activities of the control functions (i.e. independent risk management function, compliance function or internal audit function)
- (5) the staff member heads a material business unit ('a material business unit'), i.e. a business unit as defined in Article 142(1), point (3) of Regulation (EU) No 575/2013 that meets any of the following criteria:
 - It has allocated internal capital of at least 2% of the internal capital as referred to in Article 73 of Directive 2013/36/EU, or is otherwise assessed by the institution as having a material impact on the internal capital;
 - It is a core business line as defined in Article 2(1), point (36), of Directive 2014/59/EU;
- (6) the staff member who heads a subordinated control function in a large institution as defined in Article 4(1), point (146) of Regulation (EU) No 575/2013 and reports to a staff member that heads a control function;
- (7) the staff member heads a subordinated business unit in a large institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013 and reports to the head of a material business unit;
- (8) the staff member heads a function responsible for legal affairs, the soundness of accounting policies and procedures, finance including taxation and budgeting, performing economic analysis, the prevention of money laundering and terrorist financing, human resources, the development and implementation of the remuneration policy, information technology, information security, performing economic analysis or managing outsourcing

arrangements of critical or important functions as referred to in article 30(1) of commission delegated regulation (EU) 2017/565;

(9) the staff member has managerial responsibilities for, or is a voting member of, a committee responsible for the management of a risk category provided for in Articles 79 to 87 of Directive 2013/36/EU;

Articles 79 to 87 refer to the following risk categories:

- Article 79 - Credit and counterparty risk
- Article 80 - Residual risk
- Article 81 - Concentration risk
- Article 82 - Securitisation risk
- Article 83 - Market risk
- Article 84 - Interest risk arising from non-trading book activities
- Article 85 - Operational risk
- Article 86 - Liquidity risk
- Article 87 - Risk of excessive leverage

(10) with regard to credit risk exposures of a nominal amount per transaction which represents 0.5 % of the institution's Common Equity Tier 1 capital and is at least EUR 5 million, the staff member:

(a) has authority to take, approve or veto a decision on such credit risk exposures; or

(b) is a voting member of a committee which has authority to take the decisions referred to in point (a);

(11) in relation to an institution to which the derogation for small trading book business provided for in Article 94 of Regulation (EU) No 575/2013 does not apply, the staff member:

(a) has authority to take, approve or veto a decision on transactions on the trading book which in aggregate meet one of the following thresholds:

(i) where the standardised approach is used, an own funds requirement for market risks which represents 0.5 % or more of the institution's Common Equity Tier 1 capital; or

(ii) where an internal model-based approach is approved for regulatory purposes, 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval); or

(b) is a voting member of a committee which has authority to take decisions set out in point (a);

(12) the staff member has managerial responsibility for a group of staff members who have individual authorities to commit the institution to transactions and either of the following conditions is met:

(a) the sum of those authorities equals or exceeds a threshold set out in point 10(a) or point 11(a)(i);

(b) where an internal model-based approach is approved for regulatory purposes those authorities amount to 5 % or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval). Where the institution does not calculate a value-at-risk at the level of that staff member the value-at-risk limits of staff under the management of this staff member shall be added up;

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(13) with regard to decisions to approve or veto the introduction of new products, the staff member:

(a) has the authority to take such decisions; or

(b) is a member of a committee which has authority to take such decisions;

(14) the staff member has managerial responsibility for a staff member who meets one of the criteria set out in points (1) to (14).

Quantitative criteria

Unless exemptions can apply because the staff member does not perform the professional activity within a material business unit or because the activity is of a kind that does not have a significant impact on the relevant business unit's risk profile:

(a) In the preceding financial year, the staff member has been awarded a total remuneration of $\geq \text{€ } 500\,000$ and equal to or greater than the average remuneration awarded to the members of the Board of Directors and Authorised Management;

(b) In the preceding financial year, the staff member has been awarded a total remuneration of $\geq \text{€ } 750\,000$; or

(c) In the preceding financial year, the staff member was, in an entity of at least 1,000 members of staff, within the 0.3 % of the number of staff (rounded up to the next integer) who have been awarded the highest total remuneration.