

Remuneration Policy (January 2024)

Financial market participant: Amplio Private Equity AB

About this document

Amplio Private Equity AB ("Amplio") has adopted a remuneration policy to promote sound risk management with the aim of fostering effective and prudent risk management, preventing excessive risk-taking, and addressing conflicts of interest. This remuneration policy applies to all employees and outlines the fundamental principles governing the determination and disbursement of compensation. Amplio's remuneration rules are designed to incentivize good performance and attract new talent, while ensuring that the remuneration system aligns with the long-term interests of both Amplio and the managed funds, without compromising Amplio's financial performance or position. Remuneration should not provide incentives for employees to act in a manner conflicting with the interests of investors and other stakeholders.

In developing this policy, Amplio has considered the European Union's regulation on sustainability-related disclosures, also known as the Disclosure Regulation or SFDR, which came into effect on March 10, 2021. The regulation governs, among other things, how fund management companies should inform their investors about specific sustainability factors (ESG factors).

Remuneration

Amplio's remuneration should at all times be structured to benefit Amplio's long-term interests and comply with the rules and principles established to protect Amplio's stakeholders, including investors and shareholders. Remuneration payments should not jeopardize Amplio's long-term financial performance and position.

Amplio employs various types of compensation, including bonuses, base salaries, wellness benefits, pension provisions, and car benefits. This remuneration policy may also be applied to any severance payments used to replace or terminate prior employment contracts. The remuneration model should strike an appropriate and clear balance between fixed and variable components.

Base remuneration is predetermined for the work that employees are employed to perform and reflects relevant skills, qualifications, and responsibilities as agreed upon in the employee's employment contract and job description.

Variable remuneration is not predetermined in terms of amount or size and is determined for each individual employee based on quantitative and qualitative evaluations of performance in relation to annual goals set. Individual goals are based on Amplio's overarching objectives, the employee's primary job responsibilities, and should not encourage or lead to excessive risk-taking or conflicts of interest.

Amplio values and aims to implement sustainability throughout its operations and does not overlook the sustainability risk of receiving variable remuneration as employees. Given Amplio's small staff and size, there is no remuneration committee; however, there is a clear and structured decision-making process for variable compensation, considering both the employee's performance and Amplio's overall performance.

Variable remuneration can consist of cash and/or stock, with Amplio striving to encourage long-term value creation and apply a well-balanced risk horizon. Amplio also seeks to promote sustainability and implement a Code of Conduct in portfolio companies, both through an integrated sustainability analysis in the investment process and by implementing it in the companies themselves.

Specially regulated personell

The following categories of personnel fall under the definition of Specially Regulated Personnel:

- Chief Executive Officer
- Chairman of the Investment Committee in the Amplio V and Amplio VI funds
- Managing Partner
- Partner

The following personnel categories do not fall under the definition of Specially Regulated Personnel:

- Investment Director
- Investment Manager
- Senior Associate
- Associate
- Chief Financial Officer
- Head of ESG
- Office Manager
- CEO Assistant

Governance

The remuneration policy shall be established by the board, which holds ultimate responsibility for ensuring the policy's application and monitoring. The board decides on remuneration for the Executive Management, remuneration for employees with overarching responsibilities for the company's control functions,

if such functions exist within the organization, and the measures to be taken to monitor the policy's application.

The board shall conduct an independent assessment of Amplio's remuneration policy and remuneration system annually. When preparing board decisions, consideration should be given to the long-term interests of shareholders, investors, and other stakeholders.

Control

Given Amplio's organizational structure, the company does not have an internal audit function, which typically performs independent control functions for monitoring and controlling the company's remuneration policy. Oversight and control are therefore conducted by the board.

The board shall annually review whether the company's remuneration system is in line with the prevailing remuneration policy. The results of this review shall be reported to the shareholders at the annual general meeting. In the event that the board finds that remuneration to individual employees deviates from the policy, immediate reporting to the shareholders shall be carried out, leading to the convening of an extraordinary general meeting.

Risks

Amplio has assessed that the following identified risks may have an impact on the remuneration policy and remuneration system:

Operational risk, referring to the risk of losses due to inadequate or malfunctioning internal procedures or systems, human error, or external events.

According to Article 2 (22) of the Regulation, a sustainability risk is an environmental, social, or governance event or condition that, if occurs, could cause an actual or potential material negative impact on the value of an investment. As part of the risk management process, Amplio believes it is of the utmost importance to incorporate sustainability risks in its investment decision-making processes. Amplio considers sustainability risks as an integral part of the investment process, from the early screening phase to final investment decision.

Throughout the investment process sustainability risks are managed in the same way as other material risks related to the potential investment. Sustainability risks are seen as an integral part of the risk group operational risks as well as an integral part of the risk group business risks.

Operational risk includes:

- Physical and transition-related sustainability risks, including risks related to environmental, social aspects, and good corporate governance
- Risks related to the investment process
- Risks during the ownership of portfolio companies
- Exit risks
- Valuation risks

- Legal risks
- Risks related to agreements and legal actions

Legal proceedings

- Physical risks and security
- Risks in internal processes
- IT-related risks, including model-related risks
- Risks related to improprieties

Business risk, which includes the risk of negative publicity/reputation and strategic risk:

- Negative publicity/reputation risk relates to situations where Amplio may be unfavorably discussed for reasons such as unsuccessful investments or the actions of portfolio companies, resulting in dissatisfied investors. This also includes brand risks associated with Amplio or any portfolio company failing to meet stakeholders' expectations regarding sustainability issues and good corporate governance."
- Strategic risk pertains to structural changes in market conditions and Amplio's business strategies, as well as risks associated with Amplio's focus areas regarding investments. As part of this, sustainability risks related to external events that alter market demand or fundamental conditions are also included. Strategic risk also encompasses risks related to economic cycles and external factors.

Market risk, involving interest rate and currency risks:

- Interest rate risk is related to situations where interest rates affect the company's costs and revenues for loans and credits.
- Currency risk pertains to situations where the value of assets and liabilities in foreign currency, when converted into Swedish kronor, changes unfavorably for the company as exchange rates fluctuate.
- Liquidity risk, which encompasses the risk of not being able to meet payment obligations at the due date and not receiving committed capital from investors.

Amplio's board intends to annually assess the application of the company's remuneration policy and remuneration system, taking measures to monitor the policy's application. The board also plans to conduct an annual risk analysis, taking into account all risks that Amplio is or may be exposed to, including those associated with the company's remuneration policy and remuneration system. The risk analysis will form the basis for the board's identification of potential risk-takers and the formulation of the remuneration policy and remuneration system.

Assessment

Amplio shall ensure that Variable Remuneration is balanced with Fixed Compensation. Typically, the assessment of the results forming the basis for the calculation of Variable Remuneration should be based, among other things, on risk-adjusted profit metrics. Amplio's business is to generate returns for investors

through active management and ownership of portfolio companies according to the company's investment strategy. The primary risks are mainly related to operational risk and business risk. Amplio's results assessment should be made from a multi-year perspective to ensure that the assessment is based on long-term results and valuations. Considering the nature of Amplio's operations in conjunction with its organizational structure, employees are believed to have limited ability to take and influence risks that could significantly impact Amplio's capital and returns. In light of this, the company does not find grounds to apply risk-adjusted profit metrics to identify employees.

Amplio bases Variable Remuneration on both i) the employee's performance and ii) the company's overall results. The assessment should consider both financial and non-financial criteria.

The financial and non-financial criteria and principles that Amplio uses as the basis for remuneration decisions should be specified and documented through annual performance reviews conducted with the employee's immediate supervisor. How the criteria are defined and how the evaluation and documentation are to be carried out depends on each employee's job role, with individual guidance. The goals are directly linked to the company's overarching objectives and visions and the employee's contributions to achieving these as per individually established criteria. Full compliance with both internal and external regulations should be a criterion for Variable Compensation. Variable Remuneration for employees in control functions should not be designed in a way that compromises its objectivity.

Amplio and its board intend to annually analyze and consider risks associated with employees that may affect the company's Remuneration Policy. This analysis should be documented.