Anchora Management AS

Remuneration policy

Article 5 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**") requires fund managers such as Anchora Management AS ("**Anchora**" or the "**Company**") to publish on their websites information on how their remuneration policies are consistent with the integration of sustainability risks.

This Remuneration Policy outlines the principles and practices governing compensation for Anchora, the management company of Anchora Capital AS (the "**Fund**"). This policy is designed to ensure compliance with SFDR Article 5 and promote sound and effective risk management while supporting the sustainable investment objectives of the fund.

Purpose and Scope

This Remuneration Policy (the "Policy") applies to all employees, directors, and relevant persons of Anchora who are involved in the management and operation of the Fund.

The Policy is designed to:

- Align the interests of the Company's personnel with those of the Fund's investors
- Support the Company's long-term strategic objectives and risk management framework
- Promote responsible business conduct and sustainability considerations
- Ensure compliance with the EU Sustainable Finance Disclosure Regulation (SFDR) Article 5
- Avoid conflicts of interest and excessive risk-taking

Remuneration Structure

The Company operates a fixed remuneration structure. All employees, directors, and relevant persons receive fixed compensation only, with no variable or performance-based remuneration components.

Fixed remuneration is determined based on:

- Professional experience and qualifications
- Level of responsibility and complexity of the role
- Market benchmarks for similar positions
- The scope and nature of duties performed

This structure ensures that remuneration does not encourage excessive risk-taking and aligns with the Company's long-term risk management objectives and the sustainable investment strategy of the Fund.

The Company has deliberately chosen not to implement variable remuneration components. This approach eliminates potential conflicts of interest that may arise from performance-based incentives and ensures that decision-making remains focused on long-term value creation and sustainability objectives rather than short-term performance metrics.

Integration of Sustainability Risks

In accordance with SFDR Article 5, the Company integrates sustainability risks into its remuneration policies. Sustainability risks are environmental, social, or governance events or conditions that, if they occur, could cause actual or potential material negative impact on the value of the investment.

The fixed remuneration structure inherently supports the integration of sustainability considerations by ensuring that personnel are not incentivized to prioritize short-term financial gains over long-term sustainability objectives. All personnel are expected to:

- Integrate ESG factors systematically in investment analysis and decision-making
- Actively engage with portfolio companies on sustainability issues
- Work towards achievement of the Fund's sustainability objectives as disclosed to investors
- Ensure compliance with the Fund's sustainable investment strategy
- Identify, assess, and manage sustainability risks in all investment activities

The fixed-only remuneration structure is designed to discourage excessive risk-taking, including sustainability risks, by:

- Eliminating incentives tied to short-term performance that might encourage excessive risk
- Focusing personnel attention on long-term value creation and risk management
- Ensuring alignment with the Fund's risk tolerance and sustainability objectives
- Removing potential conflicts of interest between personal financial gain and prudent risk management
- Supporting consistent application of the Company's ESG policy and sustainability framework

Governance and Oversight

The Board of Directors of Anchora Management AS is responsible for establishing, implementing, and maintaining the Remuneration Policy. The Board ensures that:

- The Policy is reviewed annually and updated as necessary
- The fixed remuneration structure remains consistent with effective risk management
- The Policy promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Fund
- The Policy is consistent with the business strategy, objectives, values, and long-term interests of the Company, the Fund, and its investors
- The fixed-only remuneration approach effectively mitigates conflicts of interest
- Remuneration levels remain competitive and appropriate for attracting and retaining qualified personnel

Proportionality Principle

Given the size, internal organisation, and the nature, scope, and complexity of the activities of the Company, the remuneration structure has been designed with simplicity and transparency in mind. The fixed-only remuneration approach is proportionate to the Company's operations and eliminates the need for complex variable remuneration mechanisms, deferral arrangements, and performance measurement frameworks.

The Company assesses its application of the proportionality principle regularly and documents its decisions.

Disclosure

This Remuneration Policy is made publicly available on the Company's website at www.anchora.capital/esg. The Company commits to transparency regarding its remuneration practices as they relate to sustainability risk integration, in accordance with SFDR Article 5.

Policy Review

This Policy is reviewed at least annually and updated as necessary to reflect changes in regulatory requirements, industry best practices, and the Company's strategic objectives. Any material changes to the Policy will be communicated to all relevant stakeholders.

Versions published of this website disclosure

Version	*Date of publication*	*Amendment made*
1	2024-07-09	Initial website disclosure.
2	2025-12-16	Policy updated as Fund is now in active operation.