

REMUNERATION POLICY

Staff Compensation Framework

NIHAO CARBON CERTIFICATES

Version 1.0

Effective Date: January 1, 2024

Classification: CONFIDENTIAL

1. Purpose

This policy establishes remuneration practices that promote sound and effective risk management, do not encourage excessive risk-taking, and are consistent with the long-term interests of clients, in accordance with MiFID II and IFD/IFR requirements.

2. Scope

This policy applies to all staff, with specific provisions for Identified Staff (Material Risk Takers) including senior management, control function staff, and other employees whose activities materially impact the firm's risk profile.

3. Remuneration Principles

1. Alignment with long-term business strategy and risk appetite
2. Balance between fixed and variable components
3. Performance assessment includes non-financial criteria
4. Remuneration does not conflict with duty to act in clients' best interests
5. Control function staff compensated independently of business areas they oversee

4. Fixed vs Variable Remuneration

- 4.1 Fixed remuneration reflects role, experience, and market conditions.
- 4.2 Variable remuneration is performance-based and subject to deferral and malus/clawback provisions.
- 4.3 The ratio of variable to fixed remuneration shall not exceed 100% (or 200% with shareholder approval) for Identified Staff.

5. Deferral and Instruments

For Identified Staff:

- At least 40% of variable remuneration is deferred over 3-5 years
- At least 50% paid in instruments (shares or equivalent)
- Retention periods apply to instrument-based payments

6. Malus and Clawback

Variable remuneration may be reduced (malus) or recovered (clawback) in cases of misconduct, material misstatement of results, significant failure of risk management, or actions contributing to significant firm losses.

7. Governance

This policy is reviewed annually by the Board and subject to independent review by the Compliance function.