

Staff Handbook

(extract)

Remuneration policy

- 9.1. The Group's Remuneration Policy is based on:
 - 9.1.1. Estonian Securities Market Act,
 - 9.1.2. Commission Delegated Regulation (EU) 2017/565;
 - 9.1.3. ESMA Guidelines on certain aspects of the MiFID II remuneration requirements, [ESMA35-36-2537](#), effective from 30th March 2022;
 - 9.1.4. Deleted
 - 9.1.5. FCA Handbook [SYSC 19G](#) (the MIFIDPRU Remuneration Code)
 - 9.1.6. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU [articles 28-33](#); and
 - 9.1.7. EBA Guidelines on sound remuneration policies under Directive (EU) 2019/2034, [EBA/GL/2021/13](#)
- 9.2. With reference to the rules and requirements set out above, Venturebeam has determined that various exemptions apply to it, based on the nature, size and scale of its activities
 - 9.2.1. although VML is a non-SNI MIFIDPRU firm, due to its size [SYSC 19G1.1.\(2\)](#), the provisions listed in SYSC 19G1.1.(4) do not apply to it; and
 - 9.2.2. With regards to the Estonian [SMA § 79.3\(9\)](#), to which § 79.3 clauses 2, 5 and 8 are not applicable.
 - 9.2.3. For the reasons discussed above, Venturebeam is of the opinion that, pursuant to the proportionality principle, it should be allowed to waive the following remuneration requirements arising from SMA (IFD) and FCA Handbook:

- 9.2.4. deferral of variable remuneration;
 - 9.2.5. pay-out of variable remuneration in instruments; and
 - 9.2.6. Malus (save as it relates to guaranteed variable remuneration).
- 9.3. Proportionality Principles. This policy has been designed considering the proportionality principle. Venturebeam is a small and non-complex investment firm. Procedures are appropriate and proportionate to the nature, scale, and complexity of the risks inherent in the Venturebeam end-to-end business model and the limited scope of its activities. The following has been taken into account in developing this policy:
- 9.3.1. The small number of Venturebeam employees, including members of its Board.
 - 9.3.2. Venturebeam only provides a small number of investment services, with no advice or discretionary decision-making.
 - 9.3.3. Venturebeam only provides this investment service in respect of investments made to the selected companies approved by Venturebeam or its Affiliates (thus, the selection of financial instruments, which can be sold and bought via Venturebeam, is limited).
 - 9.3.4. Venturebeam does not have a significant impact on capital markets.
 - 9.3.5. Venturebeam is not significant in terms of size, internal organisation, and the nature, scope, and complexity of its activities within the meaning of IFD Article 33 for the purposes of the remuneration committee.
 - 9.3.6. Venturebeam acknowledges that the requirements arising from IFD must be complied with in line with the proportionality principle encoded in article [26\(3\) of IFD](#).
- 9.4. General Principles. In order to ensure good and transparent corporate governance, as well as sustainable and long-term value creation for shareholders, Venturebeam has established clear principles of remuneration within the company and across the group as a whole. The remuneration policy is built on the key principles of fairness, transparency, market competitiveness, performance-driven incentives, and sustainability. These principles are designed to attract, motivate, and retain high-performing talent while promoting accountability, long-term success, and responsible growth. Remuneration structures are equitable and reflect employees' roles, responsibilities, experience, and performance. Clear and consistent criteria are applied to determine salaries, benefits, and bonuses, with gender equality and non-discrimination being key components of the policy.

- 9.4.1. The remuneration policy is designed to assist Venturebeam in attracting, developing, and retaining high-performing and motivated staff in a competitive international market.
- 9.4.2. To ensure market competitiveness, salaries are benchmarked against industry standards within the fintech sector. Periodic reviews of market trends are conducted to maintain alignment with industry practices and to attract and retain top talent.
- 9.4.3. The policy incorporates performance-driven incentives to encourage and reward high achievement. Annual bonuses are linked to individual and company-wide performance metrics, fostering a culture of accountability and excellence.
- 9.4.4. Sustainability and long-term value creation are core considerations of the remuneration framework. The structure is designed to promote responsible performance and discourage excessive risk-taking, aligning with the company's commitment to sustainable growth and success.
- 9.5. Remuneration includes all forms of payments or financial or non-financial benefits provided directly or indirectly by Venturebeam to the Staff in exchange for professional services rendered by staff.
 - 9.5.1. Fixed remuneration is payments, proportionate regular pension contributions, or benefits (where such benefits are without consideration of any performance criteria), and
 - 9.5.2. variable remuneration like additional payments, or benefits depending on performance or, in exceptional circumstances, other contractual elements, but not those which form part of routine employment packages (such as healthcare, child care facilities or proportionate regular pension contributions).
- 9.6. Fixed remuneration
 - 9.6.1. Base Salary. Salaries are determined based on the role's complexity, market rates, and the individual's qualifications and experience. Salaries will be evaluated for adjustments during the annual review process (in Q1) to consider factors such as role changes, inflation, market conditions, and performance.
 - 9.6.2. Benefits. All employees are entitled to comprehensive health insurance (in the Tallinn office, employees have a choice between monthly sports compensation

and health insurance). Health insurance will be periodically reviewed to ensure alignment with market practices.

9.7. Variable remuneration

- 9.7.1. Annual Bonuses. Annual bonuses are determined based on a combination of individual, business unit (where relevant) and company-wide performance, and may include both quantitative and qualitative assessments.
- 9.7.2. The Annual Bonus Fund is determined based on the Group's actual yearly revenue. The Board evaluates the company's financial performance and subsequently approves the total bonus pool.
- 9.7.3. Company-wide performance targets will be set by the Board during the final Board meeting of the previous year, and will include both financial and non-financial KPIs. These will be communicated to employees at the first All Hands meeting of the current year.
- 9.7.4. Individual performance metrics (KPIs and OKRs - depending on the position) will be set during the annual review processes at the beginning of the current year.
- 9.7.5. KPIs (Key Performance Indicators) and OKRs (Objectives and Key Results) are measurable metrics used to evaluate employees' individual performance and alignment with organizational goals. KPIs focus on specific areas of performance, tracking progress toward predefined objectives and ensuring alignment with the company's overall strategy. OKRs are a goal-setting framework that establishes clear objectives (the "what") and measurable key results (the "how"), fostering ambition and aligning employee efforts with broader company goals. Individual KPIs and OKRs are defined and agreed upon during the annual review process between employees and their line managers.
- 9.7.6. The allocation of individual bonuses depends on both company-wide performance and individual contributions. Team Leads provide input on employees' performance throughout the year, which the Board reviews as part of the bonus distribution process.
- 9.7.7. Annual bonuses are distributed with the February payroll, subsequent to the Board's final decision on allocations.
- 9.7.8. In addition to the Annual Bonus, the company may, at its discretion, grant additional bonuses to employees in recognition of extraordinary performance or exceptional contributions. These discretionary bonuses are not tied to the

Annual Bonus Fund and may be awarded at any time based on business needs and individual achievements.

- 9.7.9. Retention Bonuses. In accordance with SYSC 19G, retention bonuses will only be paid to Material Risk Takers after a defined event or at a specified point in time. As set out in SYSC 19G.6.11, retention bonuses may include performance requirements, but should only be used under exceptional circumstances and not as common practice.
- 9.7.10. Variable remuneration payments must not compromise Venturebeam's ability to maintain a strong capital base. Therefore, Venturebeam will not issue bonuses if doing so endangers the company's financial stability or long-term sustainability. This helps in promoting responsible behaviour and discouraging excessive risk-taking that could lead to negative outcomes for Venturebeam. Venturebeam adjusts remuneration for potential adverse developments in the future, making 'ex ante risk adjustment' into actual remuneration awards and may decide not to pay variable remuneration up to 100%.
- 9.7.11. Venturebeam considers the following ex ante risk adjustments in the variable remuneration award process:
 - 9.7.11.1. Risk adjustments made based on quantitative criteria, like the cost and quantity of the capital required for the risks of its activities;
 - 9.7.11.2. Measuring the profitability of the Venturebeam, the measurement should be based on the net revenue where all direct and indirect costs related to the activity are included.
- 9.7.12. According to the SMA article 79.3(1)(4) and SYSC 19G.6.8, variable remuneration shall not be guaranteed, except for new employees in their first year of employment and only if the investment firm has a strong capital base.
- 9.7.13. However, the above calculations will not be definitive and always subject to assessment of qualitative KPIs and/or OKRs, as the case may be, as well as the company's financial strength. All payments of variable remuneration will be subject to the review and approval of the relevant employer Board.
- 9.7.14. Share Option Plan. Employees may participate in the company's share option plan, with details such as allocations and vesting schedules outlined in relevant agreements.

- 9.8. Staff means all employees of Venturebeam and its subsidiaries (if any), including subsidiaries not subject to the IFD and all members of their respective management bodies.
- 9.9. Material Risk Takers means staff whose professional activities have a material impact on the institution's risk profile in accordance with the criteria set out in the [Commission Delegated Regulation \(EU\) 2021/2154](#) of 13 August 2021 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards specifying appropriate criteria to identify categories of staff whose professional activities have a material impact on the risk profile of an investment firm or of the assets that it manages as further determined as follows:
- 9.9.1. "Board" means the management board or supervisory board of Venturebeam company.
- 9.9.2. "Parent Company" means Funderbeam Ltd, which is a 100% shareholder of Venturebeam companies.
- 9.9.3. "Affiliate" means subsidiaries, the Parent Company and the subsidiaries of the Parent Company.
- 9.9.4. The staff member is a member of the senior management and the staff member has managerial responsibilities for the activities of a control function.
- 9.9.5. MLRO managerial responsibilities (Staff member who has managerial responsibilities for the prevention of money laundering and terrorist financing).
- 9.9.6. Chief Risk Officer, who amongst other is responsible that Venturebeam establishes reporting lines to the management body for all material risks and for all risk management policies and any changes thereto)
- 9.9.7. Chief Technology Officer and Chief Information Security Officer.

Group view on Remuneration

- 9.10. Venturebeam is providing services in cooperation with other Venturebeam group companies. It is therefore important that the same remuneration policy is followed within the group, and under no circumstances shall the remuneration paid to staff within the group jeopardise fair and professional services provided to Venturebeam's customers. Neither the Parent Company nor the Affiliates shall offer any variable remuneration to their employees without prior approval by Venturebeam.

- 9.11. Furthermore, each employee is prohibited from receiving any remuneration from any other person for or in relation to the tasks that they perform under the terms and conditions of their employment with Venturebeam.
- 9.12. In addition, the remunerations offered to the staff must be set in line with the following:
 - 9.12.1. the strategy, values and long-term goals and objectives of both Venturebeam and the respective division where the respective employee is working;
 - 9.12.2. the principle of protection of customers via prevention of conflict of interests pursuant to our Conflict of Interest Policy;
 - 9.12.3. our Risk Management Policy, including the levels of risk tolerance set pursuant thereto; and
 - 9.12.4. the remuneration offered to the employees by Affiliates;
 - 9.12.5. Venturebeam staff are required to give priority to the economic interests of Venturebeam and the customers over their own personal economic interests
- 9.13. Venturebeam Markets Limited management body in its supervisory function and Markets AS supervisory board adopts and approves principles of remuneration and reviews the implementation of the remuneration policy.
- 9.14. Once a year Venturebeam management initiates a central and independent internal review of the remuneration policy and reports results to the Venturebeam group companies' management bodies with supervisory functions (FBAS supervisory board, FBLTD management board, Venturebeam Markets PTE Ltd management board). Review is done on a Venturebeam group-wide basis.
- 9.15. The remuneration of the Venturebeam Markets AS senior officers in the risk management and compliance functions is directly overseen by its supervisory board.
- 9.16. Control, risk management and compliance functions are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

Annex 1

Example annual bonus Calculation Methodology in Venturebeam:

Bonus Calculation	Example Calculation	Example with Specific Bonus Amount
<p>Employee bonuses are determined using the following weighting:</p> <p>30% of the bonus is based on company-wide and (where relevant) unit-wide performance metrics.</p> <p>70% of the bonus is based on individual performance metrics.</p>	<p>If the company achieves 70% of its set goals and the employee achieves 90% of their individual goals, the bonus will be calculated as follows:</p> <p>Company performance: $30\% \times 70\% = 21\%$</p> <p>Individual performance: $70\% \times 90\% = 63\%$</p> <p>Total bonus earned: 21% + 63% = 84% of the eligible bonus amount.</p>	<p>If the employee's maximum eligible bonus is €10,000:</p> <p>Company performance contribution: €10,000 x 30% x 70% = €2,100</p> <p>Individual performance contribution: €10,000 x 70% x 90% = €6,300</p> <p>Total bonus earned: €2,100 + €6,300 = €8,400</p>