

APPROVED
by Decision of the Board of UAB FMI "Orion Securities"
No. 2022/12/13 of 13-Dec-2022

UAB FMI "ORION SECURITIES"
REMUNERATION POLICY

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1. GENERAL PROVISIONS

- 1.1. This Remuneration Policy (hereinafter referred to as the **Policy**) of UAB FMI “Orion Securities” (hereinafter referred to as the **Company**) establishes the principles and requirements that the Company adheres to in determining and paying out remuneration, bonuses and other payments, awarded to employees for their performance and providing other benefits, thus ensuring effective management of wage costs and creating motivational incentives for employees to contribute to the implementation of the Company’s long-term goals and strategy.
- 1.2. The Policy was prepared in accordance with (i) the Law on Markets in Financial Instruments of the Republic of Lithuania (hereinafter referred to as the **Law**), (ii) Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019, (iii) Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, (iv) Commission Delegated Regulation (EU) 2021/2154 of 13 August 2021, (v) Guidelines on Reliable Remuneration Policy of the European Banking Authority in accordance with Directive 2019/2034 of 22 November 2021 as well as other legislations of the Republic of Lithuania and the European Union regulating the Company’s activities, guidelines and positions of supervisory authorities. In the event of inconsistencies between this Policy and the provisions of mandatory legislations, the provisions of the relevant legislations shall apply.
- 1.3. The Policy has been prepared by taking into account the Company’s size, organisational structure, nature, scale and complexity of operations and the risks assumed by the Company, as well as the fact that the Company’s average balance sheet and off-balance sheet assets (when assessing off-balance sheet assets specified in Annex I to Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013) calculated during the period of 4 years preceding the last day of the financial year do not exceed 100 million euros.
- 1.4. The Variable Remuneration awarded to Risk-Taking Employees does not exceed 50 thousand euros and amount to less than a quarter of their annual remuneration. In the event that the relevant Risk-Taking Employee is awarded an annual Variable Remuneration that does not meet the criteria set forth in this Clause, Paragraphs 8, 11, and 13 of Article 15 of the Law shall apply to the awarding of such Variable Remuneration.
- 1.5. The Remuneration System applied by the Company is regulated by:
 - 1.5.1. this Policy, as a set of basic principles that guide the development of the Company’s Remuneration System;
 - 1.5.2. individual agreements with Employees, which determine the Remuneration of each specific Employee.

2. DEFINITIONS

- 2.1. In this Policy, unless the context clearly requires a different meaning, the following capitalised terms shall have the following meanings:
 - 2.1.1. **Remuneration** the employee’s earnings consisting of Fixed Remuneration and Variable Remuneration.
 - 2.1.2. **Employees** employees of the Company, including the management bodies of the Company, as well as dependent intermediaries.
 - 2.1.3. **Director** head of the administration of the Company.
 - 2.1.4. **Fixed Remuneration** the wage and other long-term benefits not related to the performance of each Employee determined in the employment contract. Fixed Remuneration consists of (i) official remuneration (as defined in Clause 5.4 of the Policy) and (ii)

additional benefits (as defined in Clauses 5.5-**Error! Reference source not found.** of the Policy).

- 2.1.5. **Variable Remuneration** all remuneration not classified as Fixed Remuneration.
- 2.1.6. **Control Functions** risk management and compliance functions.
- 2.1.7. **Risk-Taking Employees** mean Employees whose professional activities and (or) decisions made may have a significant impact on the risks assumed by the Company. These Employees are identified according to the criteria specified in Section **Error! Reference source not found.** of the Policy.

3. REMUNERATION PRINCIPLES

- 3.1. The Remuneration System at the Company is formed by taking into account and applying the following principles:
 - 3.1.1. *equivalence*: Employees are evaluated according to the responsibilities assigned to the Employee, their performance, acquired education, competences, knowledge, skills, value created, etc., and equivalent positions are paid similarly;
 - 3.1.2. *transparency*: each Employee must have a clear understanding how his / her Remuneration is determined and what the Employee's performance, competencies, and qualifications have in impact on this amount;
 - 3.1.3. *flexibility*: in the event of the need to hire or retain an Employee who is important to the Company's operations, or to manage risks arising from the replaceability and turnover of Employees, the Company may make decisions applying exceptions to this Policy, but without violating the essential principles regarding the allocation of Fixed and Variable Remuneration to Risk-Taking Employees.
- 3.2. The purpose of the Policy is to promote responsible business, fair treatment of clients and to avoid conflicts of interest in relations with clients, so that forms of monetary and (or) non-monetary remuneration do not become incentives for employees to satisfy their own or the Company's interests, in violation of the interests of clients.
- 3.3. The Policy is consistent with the Company's chosen operational and risk strategy, goals, including the intended goals related to environmental, social and governance (ESG) risks, values and organisational culture, risk culture and long-term interests of the Company's continued operations:
 - 3.3.1. the results of the assessment of the adequacy of the Company's internal capital and liquid assets are always taken into account when awarding and paying the Variable Remuneration, which help to ensure the Company's internal capital and liquid assets to cover emerging or potential risks;
 - 3.3.2. the Employees are not encouraged to take excessive risks when awarding Variable Remuneration: Variable Remuneration is awarded by evaluating both the quantitative and qualitative results of each employee;
 - 3.3.3. Variable Remuneration is awarded while ensuring the sustainable capital base of the Company, thereby ensuring the interests of the Company's clients, shareholders and other interested parties.
- 3.4. The Policy is a gender-neutral Remuneration Policy, i.e., it is based on equal remuneration for employees of either sex for work of the same or equal value. All Employees are subject to the same Remuneration System, without discrimination based on gender, age, nationality, race, social status, religion, sexual orientation, etc.

4. IDENTIFICATION OF RISK-BEARING EMPLOYEES

- 4.1. The purpose of the process of identifying Risk-Taking Employees is to identify Employees whose decisions or undertaken functions can have a significant impact on the risk assumed by the Company.
- 4.2. The Company conducts an assessment every year in order to identify Risk-Taking Employees. The Company, having identified Employees who meet or are likely to meet the criteria for a Risk-Taking specified in Clause 4.3 0 of the Policy, considers such Employees to be Risk-Taking Employees (e.g., due to temporary duties or implementation of relevant projects at the Company) for at least three months of the relevant financial year for which the assessment is carried out.

Criteria for identification of Risk-Taking Employees

- 4.3. An Employee is considered to be a Risk-Taking Employee if any of the following qualitative criteria is met:
 - 4.3.1. the Employee is a member of the management body;
 - 4.3.2. the Employee is a member of senior management. The senior management includes the Director of the Company, as well as other Employees who are responsible for the day-to-day management of the Company;
 - 4.3.3. the Employee performs managerial duties related to the execution of the Control Function;
 - 4.3.4. the Employee holds managerial positions related to the prevention of money laundering and terrorist financing;
 - 4.3.5. the Employee is responsible for managing significant risks at the Company;
 - 4.3.6. the Employee is responsible for leading one of the following areas:
 - i. economic analysis;
 - ii. information technology;
 - iii. information security;
 - iv. agreements on outsourcing related to essential or important operational functions;
 - 4.3.7. the Employee has the authority to make decisions to approve or veto the offering of new products.
- 4.4. Additionally, an Employee is considered to be a Risk-Taking Employee if any of the following quantitative criteria is met:
 - 4.4.1. the Employee received EUR 500,000 or more in total Remuneration in the previous financial year or for that year¹;

Assessment of Risk-Taking Employees

- 4.5. The Company relies on the qualitative and quantitative criteria set out in Clauses 4.3 and 4.4 of the Policy in the process of conducting the assessment, which, taking into account the size of the Company and the activities carried out, are sufficient to identify the Risk-Taking Employees.
- 4.6. The Company takes into account the Fixed Remuneration allocated for the previous financial year and the Variable Remuneration allocated to Employees during the previous financial year (i.e., the Company considers all monetary and non-monetary Fixed and Variable components of remuneration) when applying the quantitative criteria specified in Clause 4.4 of the Policy based on Employee Remuneration. In addition, the Company takes into account other normal packages of working conditions, which are usually not taken into account at the individual level (e.g., common benefits available to the Employees).
- 4.7. Taking into account the Company's size, business model, and assumed risks, in order to identify Risk-Taking Employees, it includes the following information in the assessment documentation:

¹ Remuneration net of applicable taxes is subject to assessment.

- 4.7.1. the reasons justifying the assessment and the scope of application: the assessment indicates which Employees of the Company are assessed, why only the relevant departments / functions are assessed (based on Clause 4.7.2 of the Policy), why certain Employees must not be considered Risk-Taking Employees despite meeting the criteria set out in Clauses 4.3 and 4.4 of the Policy, etc. Information is included at the Company’s discretion;
- 4.7.2. criteria according to which the risks posed by the Company’s business strategy and activities were assessed (e.g., why certain areas of the Company’s activities are considered not to pose a risk to the Company’s activities or pose only insignificant risks, etc.);
- 4.7.3. Results of the process of identifying Risk-Taking Employees. The Company includes (i) the number of identified Risk-Taking Employees by highlighting the number of Risk-Taking Employees identified for the first time, (ii) the names, surnames, positions, and functions of these Risk-Taking Employees at the Company, (iii) how the Risk-Taking Employees are distributed in the Company according to business areas, (iv) comparison with the results of the assessment of the Company’s Risk-Taking Employees of the previous year.
- 4.8. An Employee who meets the criteria set out in Clauses 4.3 or 4.4 of the Policy may not be classified as a Risk-Taking Employee only if the assessment referred to in Clause 4.7 of the Policy includes arguments as to why the Employee’s professional activity is assessed as not having a significant impact on the nature of the Company’s risk or managed assets and if such an exception is approved by the Board of the Company.
- 4.9. Structural units / functions involved in the process of identifying Risk-Taking Employees as well as their functions and responsibilities:

Structural unit / function of the Company	Functions and responsibilities
The Board	<ul style="list-style-type: none"> ▪ Reviews the results of the assessment referred to in Clause 4.7 of the Policy and, of it, makes decisions regarding the classification of Employees as Risk Bearers on the basis ▪ Oversees the process of identifying Risk-Taking Employees ▪ Approves and reviews all exceptions applied to the Employees specified in Clause 4.7.1 of the Policy ▪ Initiates the review of the list of Risk Bearers in the cases indicated in Clause 4.10 of the Policy
The Risk Management Committee	<ul style="list-style-type: none"> ▪ Carries out the assessment of the risks posed by the Company’s business strategy and activities specified in Clause 4.7.2 of the Policy
Compliance	<ul style="list-style-type: none"> ▪ Supervises the compliance of the assessment process of Risk Bearers with the applicable legal requirements in accordance with the annual compliance inspection plan ▪ performs the functions of consulting and activity monitoring of the Company’s employees in the process of identifying Risk-Taking Employees

Structural unit / function of the Company	Functions and responsibilities
	<ul style="list-style-type: none"> ▪ Makes recommendations to the Board regarding the improvement of the process of identification of Risk Bearers
Law	<ul style="list-style-type: none"> ▪ Advises on the application of legislations related to the identification of Risk Bearers ▪ Reviews and, if necessary, contributes to the preparation of the assessment referred to in Clause 4.6 of the Policy

- 4.10. The assessment of the Company is carried out at the end of each financial year, no later than before the formation of the Variable Remuneration Fund. The list of Risk Bearers must also be reviewed and updated:
- 4.10.1. every time the organisational structure of the Company is changed;
 - 4.10.2. every time the Company starts offering new services;
 - 4.10.3. after significantly changing client service or work organisation processes and responsibilities for these processes.
- 4.11. Upon the assessment and determination that the Employee is a Risk-Taking Employee, such Employee is added to the list of Risk-Taking Employees, the form of which is attached as Annex No. 1 to this Policy.
- 4.12. The Company stores the results of the assessment referred to in Clause 4.7 of the Policy in accordance with the document storage procedure established by the Company. of the Policy in accordance with the document storage procedure established by the Company.

5. REMUNERATION STRUCTURE

- 5.1. Fixed Remuneration and Variable Remuneration are applied at the Company. Remuneration is determined, calculated and paid in accordance with this Policy as well as the conditions and procedures set forth in internal documents.
- 5.2. The Employees are paid only the severance payments established by the applicable legislations in the event of termination of the employment relationship. The Company does not enter into any contracts or agreements regarding the payment of additional benefits paid upon termination of the employment relationship.

Fixed Remuneration

- 5.3. Fixed Remuneration consists of official remuneration and additional benefits.
- 5.4. Official remuneration for Employees is determined taking into account the specific Employee's professional experience, abilities, specific knowledge, skills and competences, and the capabilities based on the available of wages budget of the Company. The official remuneration is specified in the employment and (or) service provision contract concluded with the Employee.
- 5.5. Additional benefits are long-term benefits, payments, allowances, which may be awarded to Employees at the Company's initiative, available to a large part of Employees or Employees performing specific functions (i.e., benefits that are not awarded taking into account the individual performance of a specific Employee). Additional benefits are based on pre-defined criteria, they reflect the professional experience of the Employees and are irrevocable for the defined period of validity of the benefit and (or) while the person holds a specific position for which a certain additional benefit was allocated.
- 5.6. Additional benefits are considered to constitute a part of Fixed Remuneration.

- 5.7. The Fixed Remuneration also includes benefits that are mandatory according to the legislations of the Republic of Lithuania and other benefits that constitute a part of the normal working conditions package.

Variable Remuneration

- 5.8. All Remuneration not classified as Fixed Remuneration is considered as Variable Remuneration.
- 5.9. Variable Remuneration may be awarded and paid both to Risk-Taking Employees and to all other Employees.
- 5.10. Furthermore, Employees may be given benefits that have a financial value, but are not related to monetary bonuses, i.e., non-monetary benefits (reimbursement of a part or all of the training price, internal Company events, etc.). The package of indirect financial benefits is selected by taking into account the Company's financial position and strategy, as well as the principles of fairness and transparency.
- 5.11. For the purposes of clarity, it is noted that Variable Remuneration is awarded at the initiative and discretion of the Company and is considered an incentive for positive results, however, it is not considered variable wages in the sense of the Labour Code of the Republic of Lithuania. No provision of the Policy shall be construed as entitling any Employee to any amount of guaranteed Variable Remuneration upon (failure to achieve) achievement of any indicators, (failure to fulfil) fulfilment of conditions, or (failure to encounter) encountering of any circumstances, or to establish an agreement between the Employee and the Company regarding the allocation of the Variable Part.

6. REMUNERATION OF EMPLOYEES PERFORMING THE CONTROL FUNCTION

- 6.1. The remuneration of the Risk-Taking Employees performing the Control Function must be sufficient to ensure that the employees hired by the Company would have sufficient qualifications and experience needed to perform the aforementioned functions, i.e., remuneration must meet market standards for respectively qualified employees and be attractive enough to retain them.
- 6.2. Taking into account the nature of the Control Function, the Company, if deemed necessary, may apply stricter requirements for the ratios between the Fixed Part and the Variable Part to Risk-Taking Employees performing the Control Function (i.e., it may be decided that the applied ratio would be lower than for other Risk-Taking Employees, or set a separate maximum possible Variable Part and Fixed Part ratio).
- 6.3. The remuneration of Risk-Taking Employees performing the Control Function must reflect the scope of their duties and responsibilities. The remuneration of managers responsible for the Control Function must depend on the achievement of the objectives associated with their functions, regardless of the results of the areas of activity they control.
- 6.4. The part of the Variable Remuneration awarded to the management employees responsible for the Control Function is based on the specific objectives set for this function and is not determined based solely on the performance criteria of the Company as a whole.

7. ASSESSMENT

- 7.1. The performance of Employees is assessed annually, no later than before the submission of the proposal to award Variable Remuneration to the Employee.
- 7.2. The assessment of the performance of Employees is documented when the Employees fill out the annual performance report forms and submit their assessments of such reports to the line managers.
- 7.3. The following must be taken into account whenever allocation of a Variable Remuneration to the Employee is suggested:
 - 7.3.1. annual results of the Company's activities (financial and non-financial);
 - 7.3.2. fulfilment of the annual goals set by the unit where the Employee works;

- 7.3.3. fulfilment of personal goals agreed upon during the Employee's annual assessment.
- 7.4. Performance results are assessed based on both quantitative and qualitative criteria:
 - 7.4.1. *Quantitative criteria.* Quantitative criteria must be risk-adjusted and include economic parameters. When assessing quantitative criteria, the Company may assess risk-adjusted return on capital, risk indicators calculated during the internal capital adequacy assessment process, or financial indicators related to the budget of persons performing certain (e.g., administrative, including legal and human resource management) functions, or the nature of their operational risk. The Company may also use performance measures (such as profit, revenue, productivity, costs, and scale parameters) that are additionally risk-adjusted;
 - 7.4.2. *Qualitative criteria.* Qualitative criteria must be relevant at the level of the Company, department or specific Employee, e.g., compliance with legislations and internal rules and values of the Company, fulfilment of formulated goals and tasks by the Employee, feedback from line managers and clients, absence of client complaints, etc.).
- 7.5. The weighing factor of quantitative indicators in the overall assessment of the Employee's performance is 50 %, the weighing factor of qualitative assessment indicators in the overall assessment of the Employee's performance is 50 %.

8. ALLOCATION OF VARIABLE REMUNERATION

- 8.1. When awarding Variable Remuneration to Employees, based on the results of the assessment specified in Section **Error! Reference source not found.** of the Policy, the Company links the Variable Remuneration awarded to such Employees with:
 - 8.1.1. annual results of the Company's activities (financial and non-financial);
 - 8.1.2. fulfilment of the annual goals set by the unit where the Employee works;
 - 8.1.3. fulfilment of personal goals agreed upon during the annual assessment of the Employee.
- 8.2. The Company applies the following measures in order to avoid conflicts of interest and to discourage Employees from taking excessive risks:
 - 8.2.1. Variable Remuneration is not tied to the sales of a specific product (i.e., Employees do not receive different levels of incentives depending on the specific product or product category sold by the Employee);
 - 8.2.2. when awarding Variable Remuneration, the Company does not rely solely on quantitative indicators: the Company always assesses both qualitative and quantitative indicators by applying equal weights to these indicators in the Employee assessment process;
 - 8.2.3. the objectives of the Employees' activities are not based solely on financial or commercial aspects, without taking into account the interests of the Company's clients;
 - 8.2.4. the Company does not apply the requirement to reach a minimum quota for the sale of certain products (financial instruments) in order for the Employee to be awarded the Variable Remuneration (e.g., the Company does not indicate that the Employee must sell each type of financial instrument for at least the specified amount minimum amount in order for the Employee to be awarded the Variable Remuneration), since in this case the financial instruments offered by the Employee may not correspond to the interests of the clients;
 - 8.2.5. the Company does not have a Variable Remunerations practice designed to provide a disproportionate return on marginal sales, where individuals must reach a minimum sales level to receive incentives or to qualify for a higher incentive (e.g., nothing is paid having achieved 50 % of goal, a certain amount is paid for all products sold having achieved 70 % of the goal, a higher amount is paid for all products sold having achieved 80 % of the goal, etc.).
- 8.3. The awarded Variable Remuneration over 1 calendar year may not exceed:

- 8.3.1. In relation to Risk-Taking Employees: 25 percent of the amount of the received Fixed Remuneration elements for the same 1 calendar year for which the Variable Remuneration was awarded or, when the provisions of Section **Error! Reference source not found.** of the Policy are applied - 100 percent of the amount of the received Fixed Remuneration elements for the same 1 calendar year for which the Variable Remuneration was awarded;
- 8.3.2. In relation to other Employees who are not Risk-Taking Employees: percent of the amount of the received Fixed Remuneration elements for the same 1 calendar year for which the Variable Remuneration was awarded.
- 8.4. The Company does not enter into agreements on compensations based on the contracts concluded by the Employee with the previous employer, nor does it allocate Variable Remuneration to pension accumulation measures chosen at one's own discretion.

Guaranteed Variable Remuneration

- 8.5. Guaranteed Variable Remuneration may be awarded only in exceptional cases (e.g., in the event of the need to hire or retain a potential Employee of significant importance to the Company's operations, or to control the risks arising from the replaceability of Employees) and only to newly hired Employees and only in their first year of employment, if the Company has reliable and solid capital base at the relevant time.
- 8.6. The Company may award the Guaranteed Variable Remuneration to the same Employee only once (e.g., when concluding a contract with an employee for new duties in the Company, the Guaranteed Variable Remuneration may not be awarded to such a person).
- 8.7. The parts of the Variable Remuneration that have not yet been paid to the Employee on the day of his / her dismissal are paid by taking into account the results of the Employee's activities achieved during the period determined by the Company, the duration of employment in that year and in such a way that the Employee is not compensated if his / her activities resulted in a loss for the Company, with the exception of mandatory payments established by legislations.

9. VARIABLE REMUNERATION FUND

- 9.1. The Company forms the Variable Remuneration Fund yearly, in accordance with the order established in Clause 9.5 of the Policy, it is intended for the payment of Employees' Variable Remuneration.
- 9.2. The Variable Remuneration Fund is formed after the end of the financial year, upon assessment of the Company's performance and following the assessment of the Employees conducted in accordance with the procedure established in Section **Error! Reference source not found.** of the Policy.
- 9.3. The Company's performance over the previous financial year, current and future risks, the costs of capital used and liquidity maintenance are taken into account when forming the Variable Remuneration Fund. The Variable Remuneration Fund and the size thereof must not limit the Company's ability to strengthen its capital base.
- 9.4. When forming the Variable Remuneration Fund, the Company also takes into account the ratio of the Variable and Fixed Remuneration parts of the employees in order to meet the established ratio of the Variable and Fixed Remuneration parts.
- 9.5. In the process of determining the Variable Remuneration Fund, the Company:
- 9.5.1. firstly, based on the criteria of the performance of the Employees used as the basis for the assessment of these individuals, the Variable Remuneration proposed to be awarded is determined for each Employee;
- 9.5.2. then the amounts of the Variable Remuneration proposed to be awarded to the Employees of each department are added up;

- 9.5.3. then the amounts of the Variable Remuneration proposed to be awarded to the Employees by all departments are added up and this amount is considered as the Company's Variable Remuneration Fund.
- 9.6. When forming the Variable Remuneration Fund, the Company complies with all of the following requirements:
- 9.6.1. when assessing the financial (quantitative) results of the Company and (or) the relevant division: Variable Remuneration is awarded in the relevant calendar year for the results of the previous financial year;
- 9.6.2. when forming the Variable Capital Fund, the advance adjustment by risks set out in Section **Error! Reference source not found.** of the Policy is applied;
- 9.6.3. the Variable Remuneration is awarded only after the Company's Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) based on the data of the last day of the previous financial year. In the event that new capital adequacy and liquid asset reports are prepared in the Company prior to the awarding of the Variable Remuneration, in that case, pursuant to Article 54 of the Regulation, the information provided in these reports is assessed;
- 9.6.4. assesses the impact of the Variable Remuneration on the indicators specified in Clause 9.6.3 of the Policy and the recommendations of the competent authorities and European supervisory authorities regarding the distribution of the Variable Remuneration (if such recommendations apply to the Company in the relevant period when the Variable Remuneration is awarded);
- 9.6.5. the awarded Variable Remuneration, except for the exceptions set out in **Error! Reference source not found.** of the Policy, is paid no later than 1 month from the date of the relevant decision on the awarding of the Variable Remuneration to the Employee and only in the event that there have been no substantial changes in the Company from the date of awarding the Variable Remuneration to the date of the payment of the Variable Remuneration, which may negatively influence the fulfilment of capital adequacy and liquid assets requirements imposed on the Company. In the event that substantial changes occur in the Company, which may result in the Company not meeting the applicable capital adequacy and (or) liquid asset requirements, during the period from the awarding of the Variable Remuneration to the payment of the Variable Remuneration, the awarded Variable Remuneration may be reduced and (or) may not be paid subject to the decision of the Board of the Company' (in the case of Risk-Taking Employees) or the decision of the Director of the Company (in the case of all other Employees);
- 9.6.6. when assessing the qualitative performance of a specific Employee: Variable Remuneration is awarded only after an annual performance assessment and review of the Employee's results over the past 2 years. In the event that the Employee has been employed for a shorter period of time than specified in this Clause, the entire employment period of the Employee at the Company is assessed.
- 9.7. The Company documents and stores data on how the relevant Variable Remuneration was assigned to specific Employees (including information on how the Allocation of Variable Remuneration met the criteria established in Clause 9.5.3 of the Policy).

10. ADJUSTMENT OF THE VARIABLE REMUNERATION

- 10.1. The Company applies the following when determining and adjusting the Variable Remuneration Fund:
- 10.1.1. advance adjustment according to risk (*ex ante* adjustment), before making a decision on the assignment of the Variable Remuneration to the Employee;
- 10.1.2. subsequent adjustment according to risk (*ex post* adjustment), after payment of the awarded Variable Remuneration to the Employee.

- 10.2. Advance adjustment of the Variable Remuneration according to the risk may also be applied in the case specified in Clause 9.6.4 of the Policy, i.e., when, after the award of the Variable Remuneration to the Risk-Taking Employee, there are significant changes that may result in the Company not meeting the applicable capital adequacy and (or) liquid asset requirements.

Advance adjustment according to risk

- 10.3. Risk adjustment before awarding the Variable Remuneration (*ex ante* adjustment according to risk) is carried out in order to align the Variable Remuneration with the risk assumed by the Company and the Employee.
- 10.4. Advance adjustment according to risk is carried out:
- 10.4.1. at the level of each Employee; and
 - 10.4.2. at the level of the entire Company.
- 10.5. First of all, the Company carries out advance adjustment according to risk at the level of a specific Employee and uses the quantitative and qualitative criteria specified in Clause **Error! Reference source not found.** of the Policy. Later, upon carrying out advance adjustment according to risk at the level of a specific Employee, advance adjustment is carried out at the level of the entire Company (i.e., if necessary, the general Variable Remuneration Fund of the Company is adjusted).
- 10.6. Advance adjustment according to risk at the Company level is carried out by assessing existing and possible future risks arising or directly related to the payment of the Variable Remuneration, based on the assessment of the Company's quantitative and qualitative criteria. Quantitative criteria are capital and liquidity indicators set by the Company, qualitative criteria are business continuity risk management indicators set by the Company (i.e., how these indicators would be implemented after the payment of the Variable Remuneration).

Subsequent adjustment according to risk

- 10.7. The Company may recover all or any part of the Variable Remuneration paid to the Employee through the subsequent risk adjustment mechanism of the Variable Remuneration.
- 10.8. The Company applies only the clawback mechanism, taking into account the fact that the Company does not apply the deferral of the payment of the Variable Remuneration part (i.e., the Company does not apply the mechanism for reducing the assigned Variable Remuneration part), except for the cases specified in Section **Error! Reference source not found.** of the Policy.
- 10.9. The Company assesses whether the advance adjustment according to risk was sufficient, e.g., whether any risks were missed, underestimated, new risks identified or losses incurred. Subsequent adjustment according to risk depends on the accuracy of the advance adjustment according to risk, which the Company determines based on back-testing.
- 10.10. The Company may apply mechanisms for the recovery of the Variable Remuneration part for 2 years after the payment of the Variable Remuneration part.
- 10.11. Regardless of the good results achieved by the Employee, if there is a reason to suspect the Employee of fraud or other criminal act, or serious violations of internal or external rules, as well as if the Employee is charged or in the event of other circumstances in which the appointment of Variable Remuneration may be regarded as unreasonable or in the event of objections, up to 100 % of the paid Variable Remuneration may be recovered or the Variable Remuneration may be reduced. When Section **Error! Reference source not found.** of the Policy is applied, the amounts awarded or paid out in previous years may also be adjusted.
- 10.12. A subsequent adjustment according to risk may not lead to an increase in the initially awarded Variable Remuneration or, if a recovery procedure has already been applied, the reduced Variable Remuneration.

11. DEFERRAL OF THE VARIABLE REMUNERATION

- 11.1. Section **Error! Reference source not found.** of the Policy applies only to Risk-Taking Employees and only in cases if:
- 11.1.1. the relevant Risk-Taking Employee's Variable Remuneration exceeds 50 thousand euros and amount to more than a quarter of the relevant Risk-Taking Employee's annual remuneration;
- 11.2. Annual Variable Remuneration is divided into two equal parts:
- 11.2.1. the immediately payable part, which amounts to 50 percent of the total awarded annual Variable Remuneration, is paid in cash;
- 11.2.2. the deferred part, which amounts to 50 percent of the total awarded annual Variable Remuneration, is awarded by means prescribed by Paragraph 8 of Article 15⁶ of the Law on Markets in Financial Instruments or, upon obtaining the authorisation of the Bank of Lithuania by other means. The granting of this part of the remuneration, taking into account the possible risks associated with the results of the annual assessment of the Risk-Taking Employee, is deferred: (i) for the Members of the Board of the Company and the Director: for a period of 4 years from the date of the award of the annual Variable Remuneration to the date of granting the deferred part; (ii) for other Risk-Taking Employees: for a period of 3 years from the date of the award of the annual Variable Remuneration to the date of granting the deferred part.
- 11.3. After the annual award of the deferred part of the Variable Remuneration, the Board of the Company must approve the measures specified in [Clause] 11.2.2 of the Policy for each year in accordance with the following principles:
- 11.3.1. the deferred part awarded to the Members of the Board and the Director of the Company for the respective year must be approved over four times, i.e., (a) 1/4 of the awarded measures must be approved after 1 year; (b) an additional 1/4 of the awarded measures must be approved after 2 years; (c) an additional 1/4 of the awarded measures must be approved after 3 years; (d) the remaining 1/4 of the awarded measures must be approved after 4 years.
- 11.3.2. The deferred part awarded to other Risk-Taking Employees for the respective year must be approved over three times, i.e., (a) 1/3 of the awarded measures must be approved after 1 year; (b) an additional 1/3 of the awarded measures must be approved after 2 years; (c) the remaining 1/3 of the measures must be approved after 3 years;
- 11.3.3. the deferred part may be adjusted by reducing it (with the right to reduce it to zero) at the time of approval;
- 11.3.4. the results of the assessment of the Risk-Taking Employee over the past 2 years are used respectively when approving the deferred part. When the duration of the employment relationship or the contract with the Risk-Taking Employee is shorter than 2 years, the available results of the employee's performance assessment are used.
- 11.4. Risk-Taking Employees are prohibited from insuring themselves under insurance strategies or insurance against the reduction of Variable Remuneration to reduce the impact of the risk determined by applying their Variable Remuneration calculation principles.

12. POLICY IMPLEMENTATION AND CONTROL

- 12.1. Structural units / functions involved in the Policy and the process of determination of the Variable Remuneration as well as their functions and responsibilities:

Structural unit / function of the Company	Functions and responsibilities
The Board	<ul style="list-style-type: none"> ▪ supervises the determination, payment and other related issues of Remuneration of Risk-Taking Employees

Structural unit / function of the Company	Functions and responsibilities
	<ul style="list-style-type: none"> ▪ makes decisions regarding the award of each Variable Remuneration to Risk-Taking Employees ▪ makes decisions regarding the formation of the Variable Remuneration Fund ▪ makes decisions on the advance adjustment of Variable Remuneration ▪ makes decisions on the subsequent adjustment of the Variable Remuneration (application of the recovery mechanism, as specified in Section Error! Reference source not found. of the Policy) ▪ checks how the Remuneration requirements for Risk-Taking Employees are implemented and assesses the applied Remuneration Policy and practice, including their impact on the Company's risk, capital, and liquidity situation ▪ periodic review of the Policy ▪ other functions and responsibilities assigned to the Board of the Company specified in the Policy
The Risk Management Committee	<ul style="list-style-type: none"> ▪ assesses whether the proposed Variable Remuneration for Risk-Taking Employees as well as for other Employees would not violate the Company's internal capital adequacy and (or) liquid asset requirements
The Director	<ul style="list-style-type: none"> ▪ ensures the compliance of the Employees' employment contracts with this Policy ▪ ensures that Risk-Taking Employees are made familiar with this Policy to be signed ▪ awards Variable Remuneration to Employees who are not considered Risk-Taking Employees ▪ makes decisions regarding the reduction and (or) recovery of the Variable Remuneration for Employees who are not considered Risk-Taking Employees
The Line Manager of the Risk Bearer	<ul style="list-style-type: none"> ▪ conducts the assessment of the Employee ▪ submits proposals for the award of the Employee's Variable Remuneration to the Board of the Company (in the case of Risk-Taking Employees) or the Director of the Company (in the case of all other Employees)

Structural unit / function of the Company	Functions and responsibilities
Compliance	<ul style="list-style-type: none"> ▪ contributes to ensuring that the Policy and Remuneration Practices are aligned with the Company's risk management strategy and system within the scope of its competence ▪ assesses how the Policy and Remuneration Practices meet the requirements set out in legislations, the internal documents of the Company, as well as whether the Policy and Remuneration Practices are compatible with the Company's risk culture while observing the periodicity determined in the Company's compliance plans ▪ informs the Board of the Company of all identified compliance-related risks associated with the Policy and Remuneration Practices and identified non-conformities
Law	<ul style="list-style-type: none"> ▪ advises on the application of legislations related to Remuneration ▪ reviews and contributes to Policy revisions and changes as needed
The Risk-Taking Employee	<ul style="list-style-type: none"> ▪ fills out the annual activity report forms needed to assess the Risk-Taking Employee's performance

Periodic review of the Policy

- 12.2. During the review, the Board of the Company must assess whether the Policy, overall Remuneration Policy as well as practices and processes:
- 12.2.1. function as intended: in particular, whether the Policy is followed at the Company, whether the Remuneration payments are appropriate and in line with the Company's business strategy, whether the nature of the Company's risks, long-term and other goals are taken into account sufficiently;
- 12.2.2. are in compliance with the legislations, principles, and standards applicable to the Company;
- 12.2.3. do not limit the Company's ability to ensure a reliable capital base of the Company.
- 12.3. If, within the course of periodic reviews, it becomes clear that the Policy does not function as planned, the Board of the Company must ensure that a corrective action plan is proposed, approved, and implemented in a timely manner.
- 12.4. The results of the internal review and the corrective actions taken based on the findings are documented in written reports. The Company ensures that this report is accessible to the Board of the Company, the Director, the Risk Management Committee of the Company as well as other persons performing supervisory and administrative functions (e.g., compliance, law).
- 12.5. When approving the Policy and amendments thereof, reviewing the Policy and overseeing the implementation of the Policy and Remuneration Requirements, the Board of the Company shall take into account the Company's compliance officer's assessment of the Policy and applicable Remuneration Practices.

13. DISCLOSURE REQUIREMENTS

- 13.1. In accordance with the provisions of Regulation (EU) 2019/2033 of the European Parliament and of the Council, the Company discloses the information referred to in Article 51 of the Regulation concerning the Remuneration Policy and practices thereof, including aspects related to gender neutrality and the gender pay gap for Risk-Taking Employees.

14. FINAL PROVISIONS

- 14.1. The provisions of this Policy do not and may not be considered as establishing individual conditions of employment relations for individual Employees, *inter alia*, this Policy does not create and cannot be treated as creating any duties related to employment relations for the Company.
- 14.2. This Policy shall be approved by the Board of the Company. The Policy shall be an integral part of the Company's Risk Management System.
- 14.3. The Policy shall be reviewed at least once a year (and more often if necessary) in order to identify any shortcomings or inconsistencies thereof with legislation. If any shortcomings or inconsistencies with legislations are identified, the identified shortcomings must be eliminated by amending and (or) supplementing this Policy.
- 14.4. This Policy shall come into force from the approval date thereof and it may be revoked, amended, and (or) supplemented by the decision of the Board of the Company.
- 14.5. The Director shall be responsible for the proper (against signature) introduction of this Policy to all Risk-Taking Employees.

ANNEXES:

1. List of positions held by Employees whose professional activities have a significant impact on the risk profile of the Company or the assets managed by it

UAB FMI “Orion Securities”

Risk-Taking Employees (Positions)

Positions
Member of the Board
Director
Compliance Officer