

1. Investment firms are required under the FCA Handbook (BIPRU 11) to disclose information, including regular, at least annual, updates, regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on their risk profile ("**Remuneration Scheme**"). The scope of the required disclosures is determined by the size, internal organisation and nature, the scope and complexity of the activities of the firm taking in consideration the principles of materiality, confidentiality and appropriateness. Due to these considerations and a balance sheet total of Scalable Capital Limited below 15 billion Euro, the following disclosure of the Remuneration Scheme is limited to general guidance and does not differentiate between different business units.
2. Scalable Capital Limited strives to offer a competitive, adequate and fair remuneration to its employees. The Remuneration Scheme is in line with the strategic focus of Scalable Capital Limited. The Remuneration Scheme does not incentivise the employees to take inappropriate risks, is reviewed annually and, if required, amended accordingly. The Board of Directors is responsible for maintaining an appropriate and compliant Remuneration Scheme. The remuneration of the Board of Directors is determined by the relevant supervisory body.
3. The employees of Scalable Capital Limited as well as its parent company, Scalable Capital GmbH, receive an adequate fixed remuneration. To allow for additional motivation of selected employees (both of Scalable Capital Limited and its parent company), a Virtual Options Plan of the parent company, Scalable Capital GmbH, is available. Under this Virtual Options Plan holders of virtual options vest such options over a period of time of several years. In case of a sale or an initial public offering (IPO) (collectively "**Exit**") of the parent company, Scalable Capital GmbH, holders of virtual options are entitled to a payment, the amount of which is determined, inter alia, by the amount of vested virtual options and the Exit proceeds.
4. The Virtual Options Plan avoids negative incentives for employees to take inappropriate risks, because the payment claim under the Virtual Options Plan is subject to the performance of the whole group of companies (and not just Scalable Capital Limited) and the occurrence of an Exit. As the employees receive an adequate fixed remuneration and the payment claim under the Virtual Options Plan is subject to an uncertain event in the future, no employee depends on payments under the Virtual Options Plan.
5. The Board of Directors (both of Scalable Capital Limited and its parent company) exclusively receive a fixed remuneration which is in line with market standards and adequate for their tasks and responsibilities. Some members of the Board of Directors have shares in the parent company of Scalable Capital Limited, Scalable Capital GmbH. The shareholders of Scalable Capital Limited oversee the Board of Directors (against no remuneration).
6. The employees with control functions predominantly receive a fixed remuneration as well as (where applicable) a participation under the Virtual Options Plan according to the abovementioned principles. No conflicts of interest may arise as (already stated above) the Virtual Options Plan is subject to the performance of the whole group of companies (and not just Scalable Capital Limited) and the occurrence of an Exit.
7. As the Virtual Options Plan is subject to the long-term performance of the whole group of companies and the occurrence of an Exit, no payments were made in 2015. Thus, the share of fixed remunerations in relation to the overall personnel costs including social contributions is 100%. As the disclosure requirements are subject to of materiality, confidentiality and appropriateness, no detailed information on the overall amount of the individual remuneration components is disclosed.
8. For some employees of Scalable Capital Limited there is be an element of variable pay for which is based on firm wide and individual performance. The structure, balance and amounts of variable pay differ across areas of the firm and across individuals. Variable remuneration is considerably reduced where subdued or negative financial performance of the firm occurs. When assessing individual performance of employees we would use a robust performance review process, with reviews including qualitative and quantitative criteria.