

Equiom Fund Solutions Ireland Limited Remuneration Policy

Introduction

This remuneration policy (“the Policy”) sets out the remuneration framework applicable to Equiom Fund Solutions Ireland Limited (“EFSIL”, the “Company”) which has been designed and implemented in line with the remuneration requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and the European Union (Alternative Investment Fund Managers) Regulations 2013. The Policy has also been drafted in accordance with ESMA Guidelines on Sound Remuneration Policies under the AIFMD and UCITS Directive (“the ESMA Guidelines”).

The Policy is designed to align with the business strategy, long-term objectives, values and interests of the Company and the funds under management including with those of investors, with robust and effective risk management.

Integration of Sustainability Risks

Sustainability risks¹ as specified in the Sustainability Finance Disclosure Regulation (“the SFDR”) must be taken into consideration by all employees when performing their roles. Employees and their supervisors must ensure that all activities are carried out in a responsible manner and in line with EFSIL’s Sustainability Policy. This is further embedded and captured in the firm’s goal setting and performance review processes.

The factors that may be taken into account in deciding the quantum of variable remuneration in any given period are outlined further below.

In addition however, and specifically in consideration of how EFSIL integrates the consideration of sustainability risks into the remuneration process, the following factor is also taken into account:

- the extent to which the individual has (i) embodied the principles; and (ii) adhered to the fundamental process based elements that are each contained in EFSIL’s Sustainability Policy.

It is recognised, this factor may be considered and applied subjectively to an individual, dependent on their role within EFSIL.

Finally, as an overriding and discretionary factor, EFSIL will ultimately be mindful of the need to ensure that the remuneration policy promotes sound and effective risk management, does not encourage risk taking that is inconsistent with the risk profiles of the funds and is consistent with EFSIL’s approach to the integration of sustainability risks.

Variable remuneration awards must in all cases be aligned with EFSIL’s business strategy, objectives, core values, ESG principles and the best interests of EFSIL.

Third Parties

When appointing outsourced service providers (“OSPs”), due consideration is given to ensuring that none of the identified staff have any material interest in or are in any way linked to the OSPs. Where such a link is identified, the EFSIL board will review the arrangements to ensure the Company remains in compliance with the regulations and ESMA Guidelines.

¹ ‘Sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

Scope

The Policy applies to all employees of EFSIL and has been adopted by the EFSIL Board of Directors.

Principles

Remuneration

Remuneration consists of all forms of payments or benefits paid by the Company including any amount paid by the fund itself and any transfer of units or shares of a fund in exchange for professional services performed by the Identified Staff (see below for definition).

All remuneration can be divided into:

1. **Fixed Remuneration** – based on the level of responsibility and taking into consideration local market conditions
2. **Variable Remuneration** – additional payments or benefits depending on performance and level of achievement

Both components may include monetary payments or benefits e.g. shares, share options or non-monetary e.g. allowances for cars.

Ancillary payments or benefits that are part of a non-discretionary group wide policy and which pose no incentive in terms of risk assumption are excluded from the definition of remuneration.

The Company also ensures that variable remuneration is not paid through vehicles or by the application of methods that facilitate the avoidance of the applicable regulations and ESMA Guidelines.

Identified Staff

Employees meeting the following two conditions will be considered as 'Identified Staff' within the meaning of AIFMD / UCITS regulation:

1. Employees / persons who are likely to have a material impact on the Company's risk profile or the risk profile of the funds;
and,
2. whose total annual variable remuneration takes them into the same remuneration bracket as senior management and risk takers.

On the basis of ESMA Guidelines, EFSIL has determined that the following employees be regarded as Identified Staff:

1. All members of the Board
2. All Designated Persons
3. The Head of Compliance
4. The Chief Executive Officer

With regards to the board, only one director i.e. the independent non-executive director receives a fixed payment. The remaining directors are employed by EFSIL or the Equiom group and do not receive a separate remuneration for these roles.

All other Identified Staff are remunerated directly by EFSIL with any fixed component representing a sufficiently high proportion of the overall remuneration. Variable remuneration is completely discretionary (and not guaranteed) and is rewarded on a number of factors including the financials of the Company and manager discretion.

No guaranteed variable remuneration will be paid except in an exceptional case in the context of hiring new staff and will be limited to the first year

Terms of payment for Identified Staff

Taking into consideration the nature, scope, complexity and risk appetite of EFSIL as a Fund Management Company, the board has dis-applied the requirements of the ESMA guidelines:

1. Deferral period - this is not deemed appropriate as variable remuneration is not linked to the performance of any funds under management
2. Retention
3. Ex post incorporation of risk for variable remuneration
4. Variable remuneration in instruments
5. The requirement to establish a remuneration committee

The board is satisfied that proportionality (referring to the ESMA letter regarding the circumstances in which the principle of proportionality may be relied upon) may be applied based on the firm's size, internal organisation and nature, scope and complexity.

Delegated Activities – Portfolio Management

In accordance with the ESMA Guidelines, when delegating certain portfolio management activities, EFSIL will ensure that:

- 1) The entities to which portfolio management activities have been delegated are subject to regulatory requirements or remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
- 2) Appropriate contractual arrangements are implemented with entities to which investment management activities have been delegated in order to ensure there is no circumvention of the remuneration rules set out in the ESMA Guidelines. These contractual arrangements cover any payments made to the delegates' identified staff as compensation for the performance of portfolio management activities on behalf of the Company and the Funds under the terms of the relevant delegation agreement.

EFSIL performs the above assessment at the initial due diligence stage and on an ongoing basis.

Disclosure

EFSIL discloses details of its remuneration policy in the annual report of the Company and as part of the public disclosure in the financial statements of any funds under management. The Company ensures that this is clear, comprehensible and accessible.

Policy Review

The Designated Person with responsibility for regulatory compliance reviews the Policy on an annual basis or as and when required due to business model changes or regulatory updates. This review assesses the practical operations of the Policy and considers if this is in line the applicable regulations, ESMA Guidelines and the Sustainable Finance Disclosure Regulation. Any matters arising are reported to the EFSIL board.

Day to day implementation rests with the Human Resources department who report on an annual basis to the board covering the practical functioning of the Policy as it applies to the identified staff.

Further Information

The Policy is issued for information purposes only.

The information contained herein is current as of the date of issuance and is subject to change without notice.
