REMUNERATION POLICY

Document Control

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1. DEFINITIONS

AIF	collective investment undertakings, including investment compartments thereof, which: (i) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (ii) do not require authorisation pursuant to Article 5 of Directive 2009/65/EC.
AIFM Regulations	the European Union (Alternative Investment Fund Managers) Regulations, 2013 as amended and as may be further amended, consolidated or substituted from time to time.
AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as may be amended, consolidated or substituted from time to time.
Board	Board of Directors of the Firm.
Central Bank	Central Bank of Ireland.
ESMA Guidelines	ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) and ESMA Guidelines on Sound Remuneration Policies under the AIFMD (ESMA 2013/232).
Firm	Azimut Investments Limited

Funds	The funds managed by the Firm as listed under Appendix 1.
Instruments	units or shares of the Funds, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments
Identified Staff	In the context of UCITS Funds: categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Firm's risk profile or the risk profile of the UCITS that it manages. In the context of AIFs: categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Firm's risk profile or the risk profile of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management have been delegated by the Firm (as AIFM), whose professional activities have a material impact on the risk profiles of the AIF, that the Firm (as AIFM) manages.
Level 2 Regulation	EU Commission Delegated Regulation (EU) No. 231/2013.
Remuneration	all forms of payments or benefits of any type paid by the Firm, any amount paid directly by the Fund itself, including

	any portion of performance fees that are paid directly or indirectly for the benefit of Identified Staff, and any transfer of units/shares of a Fund in exchange for professional services rendered by the Firm's Identified Staff. Whenever payments, excluding reimbursements of costs and expenses, are made directly to AIF to the AIFM for the benefit of the relevant categories of staff of the AIFM for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they should be considered remuneration for the purpose of the guidelines and Annex II to the AIFMD.
Rest of the Identified Staff	The Identified Staff other than the Board, the Senior Management members and the persons heading the control functions.
Company Designated Persons	The persons in charge of the day-to-day management of the Firm (i.e. the conducting officers of the Firm).
Sustainability Risk	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.
UCITS	an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations.
UCITS Directive	Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to

	undertakings for collective investment in transferable securities (UCITS) as amended and as may be further amended, consolidated or substituted from time to time.
UCITS Regulations	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as may be further amended, consolidated or substituted from time to time and any regulations or notices issued by the Central Bank for the time being in force.
UCITS V Directive	Directive 2014/91/EU as may be amended, consolidated or substituted from time to time.
Welcome Bonus	means exceptional variable remuneration (for the first year of employment) in the context of hiring a highly qualified new staff member.

Remuneration Policy

2. PURPOSE

This document sets out the remuneration policy of the Firm, including the principles governing how the Firm remunerates its members of staff and recognised "Identified Staff", the Firm's assessment of the application of the proportionality principle in the context of its remuneration practices and additional provisions governing the payment process and related matters.

It does not set down specific monetary remuneration for individual staff members as each remuneration package remains primarily the result of negotiation between a staff member and the Firm. Rather, through adoption and implementation of the policies contained in this document, the Firm seeks to demonstrate how it complies with the remuneration related provisions of the UCITS Regulations and the AIFM Regulations.

3. Framework

Under the AIFM and UCITS Regulations, the Firm is required to establish and apply remuneration policies and practices for its Identified Staff that are consistent with and promote sound and effective risk management and that neither encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds it manages nor impair compliance with the Firm's duty to act in the best interests of the Funds.

The Firm has assessed its own characteristics and developed remuneration policies and practices which appropriately align the risks faced (including the Sustainability Risk of the Company and/or where relevant the Fund concerned.) and provide adequate and effective incentives to its staff.

(i) Identified Staff

The Firm is responsible for identifying the members of staff who fall within the definition of "Identified Staff". The term "Identified Staff" is broadly defined in the UCITS Regulations which provides that this shall include any categories of staff whose professional activities have a material impact on the risk profiles of the Firm or the Funds it manages. The term "Identified Staff" is broadly defined in Regulation 14(2) of the AIFM Regulations which provides that this shall include senior management, risk takers, control functions, and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the AIFM or of any AIF it manages.

In the context of UCITS Funds, it is further described in the ESMA Guidelines and includes, unless it is demonstrated that the relevant staff member has no material impact on the risk profile of the Firm or any UCITS it manages:

- executive and non-executive members of the board of directors of the Firm;
- designated persons;
- risk takers who either individually or collectively can exert material influence on the Firm's risk profile or on a UCITS that it manages. "Material Influence" for such purpose

is considered by the Firm to be any person whose activities could potentially have a significant impact on the results of the Firm and/or the balance sheet of the Firm and/or on the performance of the UCITS that they manage.

- staff (other than designated persons) responsible for risk management, compliance, internal audit and similar functions within the Company;

  staff responsible for heading the investment management, administration, human resources;

- any other employees in same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Firm's risk profile or of the UCITS it manages.

In the context of AIFs, the ESMA Guidelines has added the following *"and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages."*

The ESMA Guidelines state that the following categories of staff, unless it is demonstrated that they have no material impact on the risk profile of the Firm or an AIF it manages, <u>should be included</u> as the "identified staff":

- executive and non-executive members of the board of directors of the Firm;
- senior management;
- control functions/designated persons;
- staff responsible for heading the portfolio management, administration, marketing and human resources;
- other risk takers such as: staff members, whose professional activities – either individually or collectively, as members of a group (e.g. a unit or part of a department) – can exert material influence on the AIFM's risk or on an AIF it manages, including persons capable of entering into contracts / positions and taking decisions that materially affect the risk positions of the AIFM or of an AIF it manages. Such staff can include, for instance, sales persons, individual traders and specific trading desks.

"Material Influence" for such purpose is considered by the Firm to be any person whose activities could potentially have a significant impact on the results of the Firm and/or the balance sheet of the Firm and/or on the performance of the AIFs that they manage[1].

- if they have a material impact on this risk profile of the Firm or of the AIFs it manages, other employees / persons whose total remuneration takes them into the same remuneration bracket as senior management and risk takers.

Accordingly, we the Firm has determined that the following persons would fall within the definition of "Identified Staff":

- Board members;
- Designated Persons (including Head of Compliance, Chief Risk Officer, Chief Distribution Officer, CFO, CIO);
- HR Manager;
- Head of Trading Desk;
- Portfolio Managers;
- Analysts / Junior Portfolio Managers

The Board

The Board will have the prerogative to assess and fix the remuneration of the Senior Management and of the persons heading the control functions (i.e. compliance officer, risk manager and internal auditor). This will be decided based in accordance with this Policy which included consultation with the Group Head of Human Resources which is based on the Group Head of Human Resources Proposal.

As further outlined below, the Board is also responsible for determining the variable remuneration component of the Rest of the Identified Staff. This remuneration will be allocated between the Rest of the Identified Staff by the Senior Management.

[1] Paragraph 20 of the ESMA Guidelines provides that an AIFM should (i) define what constitutes materiality within the context of their AIFMs and the AIFs they manage and (ii) carry out an analysis of job functions and responsibilities at the Firm to assess whether a role could materially impact the risk profile of the Firm or of the AIFs it manages. The above definition of materiality should be considered and revised by the Firm as necessary.

The Group Head of Human Resources

The Group Head of Human Resources will be responsible for the preparation of proposals regarding remuneration, including those which have implications for the risk and risk management of the Firm or the Funds concerned. The Group Head of Human Resources shall take into account this Policy, the long-term interest of Investors and the public interest.

In principle, the Group Head of Human Resources benefits from a position in the Group which enables him to have an independent judgment on remuneration policies, practices and the incentives created for managing risk.

He/she does not perform executive functions and is independent from operational unit.

He/she has sufficient expertise and professional experience concerning risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to the Firm's risk and capital profiles and in line with this Policy.

He/she may seek expert advice internally (e.g. from risk management) and externally. His remuneration is aligned with remuneration rules equivalent to the principles defined in this Policy which permits to avoid conflict of interest.

The Group Head of Human Resources will:

- be responsible for the preparation of recommendations to the Board as further detailed in this Policy;
- provide its support and advice on the design of the Policy;
- have access to advice, internal and external, that is independent of advice provided by or to the Senior Management;
- review the appointment of external remuneration consultants that the Board may decide to engage for advice or support;
- support the shareholders, the Board and the Senior Management in overseeing the remuneration system's design and operation;
- approve the variable remuneration of the Rest of the Identified Staff which is determined by the Senior Management;
- devote specific attention to the assessment of the mechanisms adopted to ensure

- that:
- the remuneration system properly takes into account all types of risks and liquidity and assets under management levels, and the overall Policy is consistent with the business strategy, objectives, values and interests of the Firm and the Funds/DPM it manages and the Investors; and
- formally reviews a number of possible scenarios to test how the remuneration system will react to future external and internal events, and back test it as well.

As part of the performance of its tasks, the Group Head of Human Resources will in particular:

- have unfettered access to all data and information concerning the decision-making process on the remuneration system's design and implementation;
- have unfettered access to all information and data from risk management and control functions, to the extent such access will not hinder the Firm's ordinary activities;
- ensure the proper involvement of the internal control and other competent functions (e.g. human resources and strategic planning). The Group Head of Human Resources will collaborate with other Board committees whose activities may have an impact on the design and proper functioning of this Policy and practices deriving therefrom (e.g. risk audit, and nomination committees); and
- provide adequate information to the Senior Management and the Board, and, where appropriate, to the Firm's shareholders' meeting about the activities performed.

Senior Management

The Senior Management will have the responsibility to assess and determine the remuneration of the Rest of the Identified Staff.

The Internal control functions

The risk management function will assess how the variable remuneration structure affects the risk profile of the Firm. The risk manager will notably validate and assess the risk adjustment data, and will attend relevant meetings with the Group Head of Human Resources for this purpose.

The internal audit function will periodically carry out an independent audit of the design, implementation and effects of the Firm's remuneration policies.

(ii) Remuneration principles

In accordance with Regulation 24B(1) of the UCITS Regulations, and Regulation 14(2) and Schedule 2 of the AIFM Regulations, the Firm must comply with the principles contained in those regulations regarding remuneration applicable to its Identified Staff in a way and to the extent that is appropriate to the Firm's size, internal organisation and the nature, scope and complexity of its activities, in a manner which is consistent with the ESMA Guidelines.

(iv) Guidance

As at the date of this policy, the Central Bank has not issued any guidance on the manner in which the provisions of the UCITS Regulations or AIFM Regulations relating to remuneration are to be implemented by Irish UCITS management companies. However, the Firm has given consideration to guidance available from other regulators and to the letter dated 31 March 2016 from ESMA to the European Council, European Parliament and European Commission (the "**ESMA Letter**") where it has deemed it appropriate to do so.

(v) Proportionality

The principles referred to in the AIFM and UCITS Regulations above are to be complied with by the Firm in a way and to the extent that is appropriate to the Firm's size (in the context of the UCITS, the size of the UCITS it manages), the Firm's internal organisation and the nature, scope and complexity of its activities. See further below.

(vi) Delegation

AIFM

When delegating portfolio management or risk management activities according to Article 20 of the AIFM Directive and its implementing measures, the Firm should ensure that:

(a) the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements or remuneration that are equally as effective as those applicable under [these] guidelines; or

(b) appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines; these contractual arrangements should cover any payments made to the delegates' *identified staff* as compensation for the performance of the portfolio or risk management activities on behalf of the AIFM.

The Central Bank has, in its Q&A, indicated that "*equally as effective*" refers to those entities properly identified on an on-going basis by the Firm as subject to equally as effective regulatory requirements on remuneration. This includes, without limitation: (i) CRD / MiFID firms (including firms still subject to CRD III and which have availed of the CRD IV exemptions) and (ii) non-EU firms which are subject to group remuneration policies that are equally as effective as MiFID or CRD.

The Central Bank has also explained that *"appropriate contractual arrangements"* are contractual terms which at least require the implementation of remuneration practices consistent with the ESMA remuneration guidelines in relation to relevant staff.

In accordance with paragraph 18 of the ESMA Guidelines, the Firm will ensure that where it has delegated investment management functions (including risk management) to a delegate investment manager, (a) the Identified Staff of any such delegate are subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines or (b) contractual arrangements are in place between the Firm and such delegate in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines.

The Firm shall maintain a separate record of the remuneration regime applicable to each of its delegate investment managers. Where the delegate investment manager is subject to remuneration rules which are considered equally as effective as those applicable under the ESMA Guidelines, this shall include the relevant regulatory regime under which the delegate investment manager is authorised. Where the Firm has appointed a delegate investment manager which is not subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines, the Firm shall maintain a record of the overview provided by the delegate investment manager of its remuneration regime, including any justification as to why its remuneration regime does not circumvent the provisions of the ESMA Guidelines and ensure that appropriate contractual arrangements are put in place with such entities in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines.

UCITS Management Company

In accordance with paragraph 16 of the ESMA Guidelines, the Firm will ensure that where it has delegated investment management functions (including risk management) to a delegate investment manager, (a) the Identified Staff of any such delegate are subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines[2] or (b) contractual arrangements are in place between the Firm and such delegate in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines. [3]

The Firm shall maintain a separate record of the remuneration regime applicable to each of its delegate investment managers. Where the delegate investment manager is subject to remuneration rules which are considered equally as effective as those applicable under the ESMA Guidelines, this shall include the relevant regulatory regime under which the delegate investment manager is authorised. Where the Firm has appointed a delegate investment manager which is not subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines, the Firm shall maintain a record of the overview provided by the delegate investment manager of its remuneration regime, including any justification as to why its remuneration regime does not circumvent the provisions of the ESMA Guidelines.[4]

4. Firm Organisation and Activities

The Firm is a UCITS Management Company and AIFM authorised by the Central Bank pursuant to both the UCITS and AIFM Regulations.

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[2] The ESMA Guidelines confirm at paragraph 17 that if the delegate is subject to remuneration rules under Directive 2013/36/EU ("CRD IV") or Directive 2011/61/EU ("AIFMD") and the "identified staff" of that delegate are subject to the CRD IV or AIFMD remuneration rules, this will be considered "equally as effective".

[3] Not only is there an obligation on the Firm to ensure that appropriate contractual arrangements are in place but in order to be in a position to demonstrate compliance with the relevant requirements to the Central Bank, there should be some review of the information provided by the delegate on its remuneration arrangements (which it should provide to the Firm by completing the UCITS V remuneration matrix) and the Firm should satisfy itself that the disapplication of pay-out process rules is appropriate and justified. The Firm may also want to consider receiving an annual confirmation from the delegate that its remuneration arrangements remain unchanged etc.

[4] The purpose of this document is to ensure that there is a documented audit trail relating to the oversight of the delegate's remuneration arrangements being maintained by the Firm which should include, where applicable, the rationale and justification for disapplication of the pay-out process rules. This document could comprise of the completed matrix provided by the delegate investment manager or may constitute a separate document which is based on the completed matrix provided by the delegate investment manager and any other correspondence or evidence furnished by the delegate investment manager.

(i) Authorisation

The Firm is authorised by the Central Bank under the UCITS Regulations for:

- Collective portfolio management,

The Firm is authorised by the Central Bank under the AIFM Regulations for:

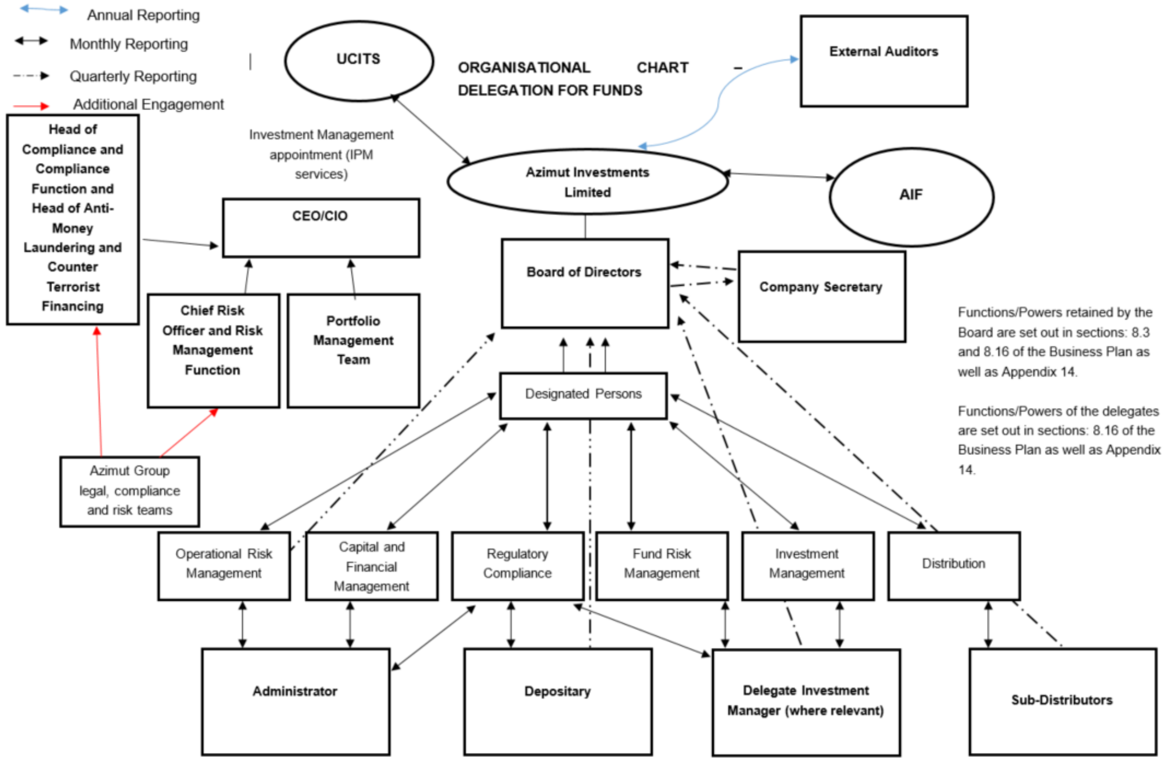
- Portfolio Management
- Risk Management
- Administration: legal and fund management accounting services
- Administration: customer inquiries
- Administration: valuation and pricing, including tax returns
- Administration: Regulatory Compliance monitoring
- Administration: maintenance of unit/shareholder register
- Administration: distribution of income
- Administration: unit/share issues and redemptions
- Administration: contract settlements including certificate dispatch
- Administration: record keeping
- Marketing
- Management of portfolios of investments, including those owned by pension funds and institutions for operational retirement provision in accordance with Article 9(1) of Directive 2003/41/EC, in accordance with mandates given by investors on a discretionary, client-by-client basis.

(ii) Activities

The Firm manages AIFs and UCITS which details will be included once respective Prospectuses will be finalised.

(iii) Organisational Structure

The Firm's organisation chart is shown below.



5. Proportionality Principle

As noted above, the Firm must comply with the UCITS Regulations remuneration principles in a way and to the extent that is appropriate to its size (and in the context of UCITS, the size of the UCITS it manages) its internal organisation and the nature scope and complexity of its activities. Accordingly, some firms can determine to meet the remuneration requirements through very sophisticated policies whereas others can do so in a simple and less burdensome way.

In applying proportionality, the Firm has had regard to the ESMA Guidelines [and the ESMA Letter] and the guidance of regulatory authorities.

In assessing what is proportionate, the focus is on the combination of all the mentioned criteria (size, internal organization and the nature, scope and complexity of the activities) and, as this is not an exhaustive list, of any other relevant criteria.[5] For instance, a Firm's business

[5] If any other relevant criteria are being taken into account by the Firm, same should be documented. See ESMA's suggestion that same could be disapplied in respect of small amounts of remuneration (as supported by paragraph 27 of the ESMA Guidelines)

may well be small-scale but could still include complex risk profiles because of the nature of its activities or the complexity of the managed Funds

(a) Size of the Firm and the UCITS it manages

The size criterion can relate to the following:

- value of the Firm's capital;
- the value of assets under management (including any assets acquired through the use of leverage) of the Funds that the Firm manages;
- liabilities or risks exposure of the Firm and the Funds it manages; and
- the number of staff and branches or subsidiaries of the Firm.

The size of an AIFM and of the AIFs it manages should not be considered in isolation when applying proportionality. An AIFM might be considered "small" in terms of number of staff or subsidiaries, but be engaged in a high level of risk taking. An AIFM should adhere strictly to the remuneration principles where the aggregate set of AIFs that it manages – each of them considered "small" – becomes a potentially systemically important (e.g. in terms of total assets under management) or leads to complex investment management activities.

The general obligation to have sound remuneration policies and practices applies to all AIFMs and UCITS Management Companies, regardless of their size or systemic importance.

(b) Internal Organisation

The internal organisation can relate to the following:

- legal structure of the Firm or the Funds that it manages;
- the complexity of the internal governance structure of the Firm;
- whether the Firm itself is listed on a regulated market; and
- whether the Funds under management are listed on a regulated market.

As noted above, the Firm has a simple structure. It is a private limited liability company and is not listed or traded on a regulated market. It has no branches or subsidiaries, it operates from Ireland only and has circa 9 employees.

(c)   Nature, scope and complexity of activities

The nature, scope and complexity of activities can relate to the following;

- the type of authorised activity - investment management functions listed in point 1 of Annex I of the AIFMD only or also the additional functions listed in point 2 of Annex I of the AIFMD and/or the additional services listed in Article 6(4) of the AIFMD);
- the type of investment policies and strategies of the Funds that the Firm manages;
- the national or cross-border nature of the business activities (UCITS Management Company/AIFM managing and/or AIFM marketing AIFs in one or more EU or non-EU jurisdictions); and
- the additional management of UCITS or AIFs.

The above proportionality principles have been taken into account in determining how the Firm complies with the remuneration rules set out in the UCITS Regulations and the AIFM Regulations and in particular in considering (i) whether the Firm must establish a remuneration committee and (ii) the manner in which the Firm complies with the Pay-Out Process Rules set down in the UCITS Regulations and AIFM Regulations.

Further analysis is set out below at the sections entitled "Establishment of a Remuneration Committee" and "Application of Pay-Out Process Rules" respectively.

6. ESTABLISHMENT OF A REMUNERATION COMMITTEE

In order to identify whether a remuneration committee is expected to be set up, the factors mentioned in (a) to (c) set down at the section above entitled "Proportionality Principle" need to be considered. When assessing whether or not the Firm is significant, the Firm must consider the cumulative presence of all the three factors (i.e. its size or the size of the Funds it manages, its internal organisation and the nature, scope and complexity of its activities). A UCITS Management Company/AIFM which is significant only with respect to one or two of the three above factors is not be required to set up a remuneration committee.

Without prejudice to the foregoing, specific (non-exhaustive) elements to be taken into account when determining whether or not to establish a remuneration committee are:

- whether the AIFM/UCITS Management Company is listed or not;

- the legal structure of the AIFM/UCITS Management Company;
- the number of employees of the AIFM/UCITS Management Company;
- the AIFM/UCITS Management Company's assets under management;
- whether the UCITS Management Company is also an AIFM and vice versa;
- the provision of the services mentioned under Article 6(3) of the UCITS Directive and/or Article 6(4) of the AIFM Directive.

Conclusion

Taking all of the above into account (i.e. its size, internal organisation nature, the scope and complexity of its activities) and paragraph 57 of the ESMA Guidelines[6], the Board of Directors has decided not to establish a Remuneration Committee.

7. Remuneration Components

As a general principle, the Firm sets out the total remuneration package of Identified Staff in a way that the fixed remuneration remains sufficiently high as compared to the variable component in order to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, the constraints and job experience, the relevant business sector and region. Where remuneration includes a variable component or a bonus, the remuneration package is structured with an appropriate balance of fixed and variable remuneration components. The appropriate balance may vary across staff members, according to market conditions and the specific context in which the Firm operates. An absolute separation between the fixed and variable components is always maintained with no leakage between these two components.

The Firm recognises that in addition to the fixed remuneration a variable remuneration component can be awarded to all staff members, including Identified Staff, as additional

[6] Para 57 of the ESMA Guidelines provide as follows :"Taking into account the above principles and having regard to all circumstances, the following are examples of management companies which may not need to establish a remuneration committee:

(i) management companies for which the value of the portfolios of UCITS that they manage does not exceed EUR 1.25 billion and not having more than 50 employees, including those dedicated to the management of AIFs and the provision of the services mentioned under Article 6(3) of the UCITS Directive;

(ii) management companies which are part of banking, insurance, investment groups or financial conglomerates within which an entity is obliged to set up a remuneration committee which performs its tasks and duties for the whole group, provided that the rules governing such remuneration committee's composition, role and competences are equivalent to the ones set out in these guidelines and the existing remuneration committee takes responsibility for checking the compliance of the management company with the rules set out in these guidelines.

payment or benefit in relation to the service provided by such Identified Staff. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's rank in the Group and professional activity as well as market practice.

The five remuneration components are: *fixed remuneration (including fixed supplements); performance-based remuneration (variable salary); pension schemes; other benefits; severance payment.*

(i) Fixed Remuneration

The fixed remuneration is determined on the basis of the role of the individual employee, including responsibility, job complexity, skills, seniority, performance and local market conditions.

(ii) Variable Remuneration

The performance-based remuneration motivates and rewards high performers who strengthen long-term relations, and generate income and shareholder value. The Firm will reward its employees for exceptional performance by way of a bonus payment.

Criteria used to determine the variable remuneration of the Identified Staff are:

When fixing the variable remuneration component of a member of the Identified Staff, the performance of the Firm and of the relevant business unit or Fund and the forecast for the future performance shall be taken into account. The occurrence of a Sustainability Risk is likely to have an impact on the performance of the investments made by a Fund and will thus be reflected in the remuneration outcomes.

Additional criteria for variable remuneration

To determine individual remuneration, the following criteria are taken into account:

- seniority and professional experience;
- commitment and individual effort;
- reputational criteria;
- long term profitability;

- achievement of the personal objectives set year on year;
- compliance with all the Firm’s policies and procedures, including policies and procedures relating to the integration of Sustainability Risks in the investment decision making process according to the roles and responsibilities allocated to the staff member.

(i) Seniority and professional experience

To assess the experience criteria, the Firm will review:

- theoretical experience attained through education and training;
- practical experience gained in previous occupations;
- specific skills and technical knowledge: banking, fund (or discretionary portfolio) management, economic, finance, marketing, IT, accounting, regulatory, investment firm business strategy, risk management, compliance, audit, legal; and
- career criteria: length of the career, numbers of previous jobs, nature/type/complexity of the previous occupation, responsibilities, number of subordinates.

(ii) Commitment and individual efforts

To assess the commitment and individual efforts, the Firm will review:

- the availability of the relevant staff member;
- ability to work with other members of the team as well as interact with other internal and external stakeholders, regular and active participation in departmental and inter-departmental meetings.

(iii) Reputational criteria

The reputation criteria will notably be assessed based on:

- criminal records, previous employers’ reputation, potential regulatory sanctions, analysis of the administrative sanctions, current and past investigation, non-compliance breach declared by regulatory or professional bodies as well as potential refusal of authorisation by a supervisory authority or professional.

- any evidence that the member has not been transparent, open, and cooperative in his dealings with supervisory or regulatory authorities or with his hierarchy; and
- the reasons for any dismissal from employment or any position of trust, fiduciary relationship, or similar situation, or having been asked to resign from employment in such a position.

The following situations regarding past and present business performance and financial soundness of a member with regard to their potential impact on the member's reputation should be considered:

- inclusion on the list of unreliable debtors or any negative records on this kind of list conducted by a recognised credit bureau if available;
- declaration of personal bankruptcy; and
- civil lawsuits, administrative or criminal proceedings, large investments or exposures and loans taken out, insofar as they can have a significant impact on the financial soundness of the member.

(iv) Long term profitability

To assess the profitability, the Firm will analyse:

- The influence of the relevant staff member on the profits of the Firm;
- The influence of the relevant staff member on the profits of his/her business line or the Funds concerned; and
- The relevant staff member's profitability.

(v) Achievement of the objectives

Each year the performance of the members of the Identified Staff will be assessed.

(vi) Integration of Sustainability Risks

Compliance of the relevant staff member with all the Firm's policies and procedures, including policies and procedures relating to the integration of Sustainability Risks in the investment decision making process will be assessed by taking into account the allocated roles and responsibilities as, among others, the respect of the ESG criteria set by the Firm / Funds according to its eligibility to the different articles of the European Regulation 2019/2088 and the risk appetite set by the Board.

Remuneration of Board members

The remuneration of Board members is fixed by the shareholders and will in no case be linked to the short-term returns of the Firm.

Remuneration of all Identified Staff other than the Board members

- *Remuneration of the Designated Persons and of the persons heading the control functions*

The remuneration of the Senior Management and of the internal control functions is determined by the Board based on the above-mentioned factors and the recommendations of the Group Head of Human Resources.

- *Remuneration of the Rest of the Identified Staff (that are not Control Functions)*

The Board determined the variable remuneration component of the Rest of the Identified Staff upon the above-mentioned criteria and recommendation from the Group Head of Human Resources. This will be allocated between the Rest of the Identified Staff by the Designated Persons after assessment of the rest of the Identified Staff made by the Senior Management with the support of the Group Head of Human Resources.

The Senior Management will report to the Group Head of Human Resources and to the Board on a yearly basis. The report will precede the payment of the variable component of the remuneration so as to enable the Group Head of Human Resources and the non-executive Board members (or the Head of Compliance as the case may be) to make comments before payment.

The Senior Management will hold, on an annual basis, a meeting to assess the performance of each member of the Rest of the Identified Staff during the year and to define the parameters of evaluation for the following year. During this meeting, they also fix quantitative and qualitative objectives to the staff. They will do this with the support of the Group Head of Human Resources who will review their conclusions. Depending on the outcome of the assessment and on the performance of the Board, the Senior Management will determine the variable component of the remuneration, the quantum of which will be validated together with the Group Head of Human Resources.

Quantitative objectives defined as:

- Firm earnings or earnings of a specific unit or Fund
- Efficiency/cost saving
- Long term profitability
- Adequate performance (as further discussed below)

Qualitative objectives defined as:

- Compliance with policies and procedures of the Firm (including policies and procedures relating to the integration of the Sustainability Risks in the decision-making process); value and ethics follow up
- Teamwork/leadership
- Customer satisfaction
- Learning attitude
- Risk governance

The objectives are weighted based on the role of the individual and using both quantitative and qualitative metrics.

The Firm may, on exceptional basis, decide to guarantee the payment of an exceptional variable remuneration (for the first year of employment) in the context of hiring a highly qualified new staff member. In such a case, the Firm will set the terms and conditions of such exceptional bonus taking into consideration the financial soundness of the Firm and the Funds managed by it.

Once a variable remuneration component has been awarded to Identified Staff, and an upfront part has already been paid, the Firm will be entitled to adjust such variable remuneration taking into account the outcomes of Identified Staff’s actions (the

"Adjustment")[7]. The Adjustment shall always be related to the performance of Identified Staff, based on an analysis of the initial and ex-post performance measurement. The variables used to assess Identified Staff's performance will measure outcomes as close as possible to the level of the decisions made by Identified Staff member that is subject to the Adjustment.

The Adjustment, e.g., by lowering cash remuneration or by awarding a lower number of units or shares of the Funds/DPM managed by the Firm, may take the following forms:

- malus clauses, enabling the Firm to prevent the vesting of all or part of deferred remuneration award (being either the cash portion or the Instruments portion thereof). The effect of maluses shall not be inflated by paying out artificially high interest (above market rates) on the cash deferred parts to the Identified Staff member. Maluses operate by affecting the vesting point and cannot operate after the end of the deferral period; and
- clawback clauses, pursuant to which Identified Staff agrees to return ownership of an amount of remuneration to the Firm under certain circumstances, including risk outcomes. A clawback should typically operate in the case of established fraud or misleading information, and, where applicable, in case of remuneration received in breach of the legal and regulatory framework. The Firm will utilize specific criteria whereby malus and clawbacks would apply, including:
    - evidence of misbehavior or serious error by the Identified Staff (e.g. breach of code of conduct, and other internal rules, especially concerning risks).
    - whether the Funds/DPM managed by the Firm and/or the Firm and/or the business unit subsequently suffers a significant downturn in its financial performance (specific indicators should be used).
    - whether the Funds/DPM managed by the Firm and/or the Firm and/or the business unit in which the Identified Staff works suffers a significant failure of risk management; and

[7] The Firm shall be in a position to make ex-post risk adjustments. An "ex-post risk adjustment" should imply that once an initial variable remuneration component has been awarded to the staff member, and an upfront part has already been paid, the Firm is still able to adjust, by way of a reduction, the variable remuneration as time goes by and the outcomes of the staff member's actions materialize. Please see items 150 and following of the ESMA Guidelines.

    - significant changes in the Firm's overall financial situation.

The Adjustment shall in particular be subject to the following principles:

- as regards the Instruments portion of the variable remuneration, the evolution of the (net asset) value of the Funds/DPM or, for listed Funds, the evolution of the share price will not be considered
- sufficient as a form of Adjustment.
- a retention period (defined as a period during which Instruments vested to Identified Staff as part of its remuneration may not be sold) on its own can never be sufficient to design an Adjustment for Instruments and may not be a substitute for a longer deferral period.
- the explicit Adjustment (both for cash and Instruments) may not lead to an increase of the deferred part; and
- the Firm will not compensate the Adjustment made on a year by awarding, paying out or vesting on the following year(s) a greater amount of variable remuneration than it otherwise would have done,
- unless it becomes obvious in subsequent years that the Firm’s financial results justify such actions.

All payments related to the early termination of a contract will reflect performance achieved over time and will not be designed in a way that rewards failure.

Any "Golden parachute" arrangements for Identified Staff who are leaving the Firm, and which generate large pay-outs without any performance and risk adjustment are inconsistent with the principles set forth in the AIFM and UCITS Regulations and in the ESMA Guidelines. Any such payments will be related to performance achieved over time and designed in a way that does not reward failure. This should not preclude termination payments in situations such as early termination of the contract due to changes in the strategy of the Firm or of the Funds/DPM it manages, or in merger and/or takeover situations.

Welcome Bonuses will be subject to the prior approval of the shareholders of the Firm, upon recommendation of the Group Head of Human Resources.

Risk mitigating features and risk alignment of variable remuneration

The variable remuneration will be both performance-based and risk adjusted, as per the principles outlined in this Policy. Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performances of the business areas that they control. Where remuneration is performance-related, the total amount of remuneration is based on a combination of (i) the assessment as to the performance of the individual and of the business unit or Funds/DPM concerned and as to their risks and of (ii) the overall results of the Firm when assessing individual performance, taking into account financial and non-financial criteria. Fixed and variable components of total remuneration are appropriately balanced, and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.

All Identified Staff will be required to undertake not to use personal hedging strategies or remuneration and liability related insurance to determine the risk alignment effects embedded in their remuneration arrangements. In accordance with the ESMA Guidelines, insurances designed to cover personal payments such as healthcare and mortgage instalments should in principle be allowed. In order to avoid any circumvention of the remuneration principles set forth herein, any insurance of such a kind shall be notified to the Group Head of Human Resources, who shall, on a case-by-case basis, make sure that the latter is in line with the requirements set forth in the UCITS and AIFM Regulations, and take appropriate measures to regularise the situation.

Recording of the determination of the overall variable remuneration

The Firm will document the award process and ensure that records of the determination of the overall variable remuneration pool are maintained.

(iii) Pensions

Pension schemes guarantee employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. [In general, all permanent staff members are covered by defined contribution plans with a pension insurance company. The pension policy of the Firm is aligned with long term interest of the Firm.]

(iv) Other Benefits

Other benefits are awarded on the basis of individual employment contracts and local market practice. The other additional benefits may include Profit Sharing Plan, health insurance, paid time off, relocation and foreign-service compensation.

(v) Severance

Any severance payments are payable in accordance with relevant employment laws.

8. PERFORMANCE-BASED REMUNERATION

Performance-based remuneration is awarded in a manner which promotes sound risk management and does not encourage excessive risk-taking. The Firm maintains a fully-flexible policy on variable remuneration implying not only that variable remuneration will decrease as a result of negative performance by the relevant Identified Staff, its business unit or the Firm itself, but also, that it can go down to zero in some cases where its situation deteriorates significantly, in particular where it can no longer be presumed that it can or will continue to be able to carry out its business as a going concern or in case of a negative assessment of the performance of such Identified Staff. Performance-based pay is not guaranteed and no employee will have a contractual entitlement to such pay. The Firm adopts a discretionary approach to performance-based remuneration.

The performance-based compensation depends on the decision of the Board of Directors to allocate funds to the Performance-based Remuneration Pool. The latter may vary over periods depending on:

(i) the net profit of the Firm in absolute terms and versus budget, realised over the relevant fiscal year;

(ii) the Performance-based Remuneration Pool budget [*as agreed with the Group Head of Human Resources on the basis of the Firm's / Group's results*];

(iii) cost development of the Firm;

(iv) internal specific risks affecting the Firm;

(v) compliance with internal business procedures and conduct of business rules;

(vi) particular market conditions relevant for the business of the Firm.

Performance will be determined by pre-agreed objectives set down in a documented policy. Records of the determination of the overall variable remuneration pool in respect of each performance period are maintained by the Firm.

The distribution of the Performance-based Remuneration Pool among staff members (including Identified Staff) is based on the criteria defined also below in the section entitled "Measures to avoid Conflicts of Interest and Internal Controls" and is approved by the non-executive directors of the Firm with expertise in risk management and remuneration.

In relation to the payments related to the early termination of a contract which are awarded on a contractual basis, they should be related to performance achieved over time and designed in a way that does not reward failure.

9. MEASURES TO AVOID CONFLICTS OF INTERESTS AND INTERNAL CONTROLS.

Performance-based remuneration is awarded in a manner which avoids conflicts of interest. Pursuant to the relevant legislation, the Firm has put in place measures to ensure that the variable remuneration awarded does not impair the duty of the Firm to act in the best interest of the clients:

(i) the variable remuneration of all the staff members (including Identified Staff) are reliant on a combination of the financial result of the Firm and Firm's Group, the individual performance of the staff member along with the result of his/her Business Unit. The methodology used for the calculation and pay-off of the variable remuneration do not compromise the obligation of the Identified Staff to act in the best interest of the clients;

(ii) references used in the calculation of variable remuneration of Identified Staff are common across investment services and products offered and include qualitative criteria;

(iii) the variable remuneration is calculated and awarded on a linear basis rather than being dependent on meeting an '*all or nothing*' target;

(iv) fixed remuneration remains sufficiently high as compared to variable remuneration;

(v) the variable remuneration takes into consideration the fair treatment and the satisfaction of the client (i.e. complaints made by clients are assessed during the award process).

The Firm has implemented adequate controls for assessing compliance with its remuneration policies and practices. This Remuneration Policy is periodically reviewed by the Head of Compliance who regularly assesses the adequacy of the measures put in place to avoid conflict of interests.[8] In addition, the outcome of the assessment and controls are regularly reported to the non-executive directors of the Firm responsible for the adoption of this Remuneration Policy.

10. CONTROL FUNCTIONS

The Firm recognizes that staff members engaged in control functions are independent from the business unit they oversee and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business area they control. The mix of fixed and variable remuneration for control function personnel is weighted in favor of fixed remuneration. The decision in relation to variable remuneration for the senior managers in the Risk Management and Compliance functions is overseen directly by the [non-executive directors of the Firm with experience in risk management and remuneration given the Firm has no remuneration committee].

The performance of the Head of Compliance and Head of Risk and any Internal Audit Officer will not be linked to the performance of the Firm. Instead any variable remuneration to be paid to the Head of Compliance and Head of Risk and any Internal Audit Officer will be determined by assessing his/her performance in delivering his/her responsibilities as Head of Compliance and Head of Risk and any Internal Audit Officer which will include :

- achieving the actions agreed in the Compliance, Risk Internal Audit Programme as relevant, within or ahead of the agreed timeframe approved by the Board of Directors;

[8] Paragraph 53 of the ESMA Guidelines suggest that this independent review can be commissioned externally or internally where appropriate according to proportionality. To be updated to reflect the manner in which implementation of the policy is reviewed by the Firm.

- achieving the actions agreed in relation to risk management as approved by the Board of Directors;
- developing effective and efficient financial controls which consistently deliver timely reporting to the firm and all relevant authorities;
- escalating issues in a prompt manner to the Board if necessary.

11. Performance measurement

In cases where the remuneration of an Identified Staff member is performance related, its total amount is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Firm / the Group. When determining individual performance, financial (quantitative) and non-financial (qualitative) criteria such as compliance with internal rules and procedures are taken into account by the Firm. The quantitative and qualitative criteria is outlined above and the balance between them is determined by the Firm for each level and category of staff and is clearly documented, with appropriate records being maintained by HR. [9]

The assessment of the performance-based components of remuneration of Identified Staff are required to be based on longer term performance and take into account the outstanding risk associated with the performance. The assessment of performance shall be set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Firm and the life cycle of the AIFs managed by the Firm in order to ensure that the assessment process is based on longer term performance and that the actual payment of bonuses is spread over the same period.

The Firm uses a documented award process in order to translate performance assessment into variable remuneration. Performance will be determined by pre-agreed objectives.

The award process determines the variable remuneration of the staff members (including Identified Staff) taking into consideration his/her individual performance, the performance of his/her business line, the overall performance of the Firm and the Firm's Group and the factors already outlined above in the section entitled "(ii) Variable Remuneration".

[9] Paragraph 113 of the ESMA Guidelines. Firm to make sure that HR is made aware of same and appropriate procedures are put in place to ensure compliance with same.

12. APPLICATION OF PAY-OUT PROCESS RULES

The pay-out process rules comprise of the rules relating to the payment of a portion of variable remuneration in instruments, the retention rules, the deferral rules and the requirement relating to the ex-post incorporation of risk for variable remuneration as detailed under section (ii) (m), (n) and (o) of the section of this policy entitled “Framework” (the “**Pay-Out Process Rules**”).

Deferral of Variable Remuneration

In order to align the actual payment of remuneration to the holding period recommended to the investors of the Funds managed by the Firm and the nature of the risks of the Funds in question, at least 40% of any variable remuneration being awarded is deferred over an appropriate period of time and, in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount should be deferred in accordance to the UCITS Regulations and AIFM Regulations. The length of the deferred period is established in accordance with the above criteria but will be for a period of at least three years.[10]

The amount of the deferred part of the bonus should be determined in relation to the total amount of the bonus as compared to the total amount of the remuneration. The deferred element of the bonus should take into account the outstanding risks associated with the performance to which the bonus relates.

Based on the proportionality principle, when the variable remuneration of a member of the Identified Staff is less than a certain threshold, (Euro 80.000,00 for 2023 the Board may decide not to apply the remuneration principles such as deferrals described hereunder to the payment of its variable remuneration. When deciding whether the proportionality principle shall apply to a member of the Identified Staff in this regard, the Board shall take into account criteria such as but not limited to the amount of the variable remuneration and the influence the member of the Identified Staff has on the Firm’s risk profile or on the portfolio managed.

[10] The ESMA Letter suggests that where a fund has a holding period which is significantly shorter than 3 years, application of the deferral rules is not likely to align interests of management company staff with those of the investors in the UCITS and the risk of the UCITS in question. Noting that the ESMA letter does not constitute formal guidance, a Firm may wish to rely on the provisions of the ESMA Letter as the basis of reducing the deferral period where a UCITS has a significantly shorter holding period than 3 years. If so, the policy should be updated to reflect and document this position. Further, noting that the ESMA letter does not constitute formal guidance and was issued in the context of remuneration rules under the UCITS regime, a Firm may wish to rely on the provisions of the ESMA Letter as the basis of reducing the deferral period where an AIF has a significantly shorter holding period than 3 years. If so, the policy should be updated to reflect and document this position.

Before paying out the deferred part of the remuneration, a reassessment of the performance and, if necessary, a risk adjustment will be performed by the Group Head of Human Resources in order to align variable remuneration to risks and errors in the performance and risk assessments carried out since the staff members were awarded their variable remuneration component.

The variable remuneration, including the deferred portion (if any), will only be paid if it is sustainable according to the financial situation of the Firm as a whole, and justified according to the performance of the business unit, the Funds and the individual concerned. As a result, the variable part of the remuneration shall never be guaranteed and the Firm reserves the right to not pay it (or to reduce it) if it is not sustainable.

Payment of Variable Remuneration in the form of Instruments

The UCITS Regulations require that subject to the legal structure of the UCITS and its fund rules or instruments of incorporation, not less than 50%, or where the management of UCITS accounts for less than 50% of the total portfolio managed by the UCITS Management Company, a substantial portion of any variable remuneration must consist of shares or units of the UCITS concerned, equivalent ownership interests or share-linked instruments or equivalent non-cash instruments.[11] [12] [13]

The AIFM Regulations require that subject to the legal structure of the AIF and its fund rules or instruments of incorporation, a substantial portion and in any event at least 50 per cent of any variable remuneration consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, unless

[11] The ESMA Letter indicates that where payment in shares of UCITS or equivalent non-cash instruments do not achieve an effect of aligning the interests of certain staff of the Firm who have no direct involvement in the management of UCITS (e.g. head of compliance/internal audit), it could be desirable to include other types of instruments in the remuneration such as shares in the Firm. If the Firm awards a bonus in the form of shares in the Firm rather than in the form of shares in the UCITS, this should be documented above.

[12] If UCITS account for less than 50% of the total portfolio managed by the Firm, the minimum of 50% referred to above does not apply. However in such circumstances, there is still an obligation to ensure that “a substantial portion” of the variable remuneration be paid in instruments. Firm to update the policy as necessary to reflect position.

[13] Paragraph 147 of the ESMA Guidelines provides that the same chosen ratio should be used between instruments and cash for their total variable remuneration to both the upfront and deferred part.

the management of alternative investment funds accounts for less than 50% of the total portfolio managed by the AIFM, in which case the minimum of 50% does not apply.[14] [15] [16].[17]

The Identified Staff will receive any of the above-mentioned instruments related mainly to the Funds in relation to which they perform their activities and the Firm will make sure that this attribution does not lead to an excessive concentration of the holding of the relevant staff, which may encourage excessive risk taking. The Firm will require its employees to retain such instruments for at least 12 months.

Retention Policy

In order to align incentivising staff with the interests of the Firm, its Funds under management and their investors, the UCITS Regulations and AIFM Regulations require that a retention policy is in place whereby variable remuneration awarded in the form of shares of the Funds or comparable instruments (whether awarded up-front or on a deferred basis) must be retained by Identified Staff in accordance with specific parameters[18]

Risk Adjustment[19]

The UCITS and AIFM Regulations provide that a bonus (including any deferred portion of such bonus) should be paid or vest only if it is sustainable according to the financial situation of the AIFM/ UCITS Management Company and justified according to the performance of the business unit, of the Fund and of the individual concerned. In circumstances where there is subdued or negative financial performance of the AIFM/ UCITS Management Company or of the Funds under management[20], the total variable remuneration must generally be

[14] The ESMA Letter indicates that where payment in shares of UCITS or equivalent non-cash instruments do not achieve an effect of aligning the interests of certain staff of the Firm who have no direct involvement in the management of UCITS (e.g. head of compliance/internal audit), it could be desirable to include other types of instruments in the remuneration such as shares in the Firm. Again, while not directly applicable to AIF, this could be taken into account by the Firm when determining compliance with the provisions of the remuneration rules under AIFMD. If the Firm awards a bonus in the form of shares in the Firm rather than in the form of shares in the AIF, this should be documented above.

[15] If AIF account for less than 50% of the total portfolio managed by the Firm, the minimum of 50% referred to above does not apply. However in such circumstances, there is still an obligation to ensure that “a substantial portion” of the variable remuneration be paid in instruments. Firm to update the policy as necessary to reflect position.

[16] Paragraph 145 of the ESMA Guidelines provides that the same chosen ratio should be used between instruments and cash for their total variable remuneration to both the upfront and deferred part.

[17] Paragraph 147 of the ESMA Guidelines makes clear that for the purposes of determining what the “total portfolio” is, “the 50% threshold should be based on the net asset value of the AIFS

[18] Paragraph 143 of the ESMA Guidelines provides that the retention period determined by a management company should be sufficient to align incentivising staff with longer term interests of the management company and investors and notes that longer retention periods should be applied for staff with the most material impact on the risk profile of the management company and the UCITS it manages. Policy to be updated to set down the specific retention periods being imposed by the management company if this is not being disapplied on the grounds of proportionality. The parameters around the operation of the retention policy and how they differentiate between instruments paid upfront and those deferred should be disclosed. See paragraph 139 of the ESMA Guidelines.

[19] Regulation 24B(1)(o) of the UCITS Regulations. This will require the Firm to review its existing employee contracts to ensure malus and clawback terms are included unless the Firm is dis-applying this rule on the basis of proportionality.

[20] See paragraph 153of the ESMA Guidelines for examples of when malus and clawbacks could apply

considerably contracted. Where necessary, the AIFM/ UCITS Management Company should be in a position to prevent the vesting of some or all of a deferred bonus in the Identified Staff. In certain circumstances such as in the case of established fraud, misleading information or where an Identified Staff has received remuneration in breach of the UCITS Regulations, the AIFM Regulations or the ESMA Guidelines, the AIFM/ UCITS Management Company should be in a position to oblige the Identified Staff to return part or all of the variable remuneration to it.

The Firm does not pay variable remuneration through vehicles and does not employ methods which aim at artificially evading the requirements of the UCITS Regulations and/or the AIFM Regulations.

13. DISCLOSURE

The general principles of the Firm's remuneration policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure. The Firm's remuneration policy is accessible to staff members to whom it applies. Staff members are informed in advance of the criteria that are used to determine their remuneration and of the appraisal process. The appraisal process and this remuneration policy are properly documented and transparent to the individual staff members concerned.

In addition, pursuant to the AIFM and UCITS Regulations requirements, the following disclosures are required in the following documents. However the timing requirements relating to such disclosure requirements will depend on the local requirements of the competent authority in the jurisdiction of domicile of each Fund managed by the Firm.

Prospectus of UCITS

The prospectus of each UCITS managed by the Firm is required to include either:

(a) the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists; or

(b) a summary of the remuneration policy and a statement to the effect that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

It is proposed that a summary of the remuneration policy and a statement to the above effect will be disclosed in the prospectus of each UCITS and that such details will be made available on www.azimutinvestments.ie.

Key Investor Information Document (KIID) of UCITS

The KIID of each UCITS managed by the Firm is required to include a statement to the effect that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

Annual Report of UCITS

The annual report of each UCITS managed by the Firm is required to disclose the following additional information:

(a) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the Firm and by the UCITS to its staff, and the number of beneficiaries, and where relevant, any amount paid directly by the UCITS itself, including any performance fee;

(b) the aggregate amount of remuneration broken down by categories of employees or other members of staff as referred to in Article 14a(3) of the UCITS Directive;

(c) a description of how the remuneration and the benefits have been calculated;

(d) the outcome of the reviews referred to in points (c) and (d) of Article 14b(1) of the UCITS Directive including any irregularities that have occurred;

(e) material changes to the adopted remuneration policy.

Annual Report of AIFs

The annual report of each EU AIF managed by the Firm and each AIF marketed by the Firm in the EU is required to disclose the following additional information:

(f) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the Firm to its staff, and the number of beneficiaries, and where relevant, any carried interest paid by the AIF;

(g) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF.

Prospectus of Irish AIF

The Central Bank requires that the prospectus of any Irish domiciled AIF includes a description of the AIFM remuneration policies and practices pursuant to Regulation 14 of the AIFM Regulations.

Internal Disclosure

The Policy will also be accessible to all staff members, which will know in advance the criteria that will be used to determine their remuneration. Confidential quantitative aspects of the remuneration of staff members will remain confidential and will thus not be internally disclosed.

The information provided to staff members will contain the following elements:

- information on linkage between pay and performance;
- information on the criteria used for performance measurement and the risk adjustment; and
- information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based.

External Disclosure

The information provided externally - available on the Firm's website - will contain the following elements:

- information on the decision-making process used to determine the Policy for the individuals to which it applies;
- information on linkage between pay and performance;
- information on how the Firm takes into account current and future risks to which it is exposed when implementing remuneration methodologies and what these risks are, including the criteria used for performance measurement and the risk adjustment, and the ways in which it seeks to adjust remuneration to take account of longer-term performance. This also includes information on how this
- policy is consistent with the integration of Sustainability Risks; and
- information on the quantitative and qualitative performance criteria on which the entitlement to variable components of remuneration is based.

14. REVIEW AND IMPLEMENTATION OF THE POLICY

The internal control functions will assist the shareholders, the Group Head of Human Resources, the Board and the Senior Management in determining the overall remuneration strategy of the Firm having regard to the promotion of effective risk management.

Without prejudice to the overall responsibility of the Board, the implementation of this Policy will be subject to the annual review by the Head of Compliance under the supervision of the Senior Management.

In the design and oversight of the Firm's remuneration policies, the Head of Compliance will take into account the inputs provided by all competent corporate functions (i.e. risk management, internal auditor, human resources, legal officer, strategic planning, etc.).

The Head of Compliance will also assess compliance by any delegates with the relevant provisions of this Policy

The Head of Compliance will report on the outcome of his/her review to the Senior Management and to the Board.

Based on this report, on the gap analysis the case being provided therein and on the feedback of the Senior Management, the Board will determine whether it shall further investigate or whether the gap analysis and recommendations of the compliance officer are sufficient to enable it to take adequate measures and to adapt (the case being) this Policy.

If the Board, the Group Head of Human Resources or the shareholders, as the case may be, come to the conclusion that a remuneration has been paid in breach of this Policy, it/they will be entitled to request the reimbursement of the variable component of the remuneration paid in breach of this Policy or to take any other corrective measure it/they may deem appropriate depending on the context.

In addition to the aforementioned annual review, the Head of Compliance will examine all new remuneration arrangements to be entered into between the Firm and any material risk taker so as to make sure that the relevant agreement is in line with this Policy.

15. APPENDIX 1: LIST OF FUNDS UNDER MANAGEMENT

The Firm acts as UCITS Management Company AIFM for the following Funds:

Name	Country of authorisation
• **Azimut Thematic Fund - AZ Allocation - Global Goals**	Ireland
• **Azimut Thematic Fund- AZ Equity- New Generations**	Ireland
• **Azimut Thematic Fund- AZ Equity - Space**	Ireland
• **Azimut Alternative – Azimut Credit Dynamic selection**	Ireland