

## POLICY/ PROCEDURE

<b>Subject:</b>	<b>Remuneration policy</b>		
Last reviewed by:	LA	Date:	09/2020
<b>Approved by:</b>	<b>Board of Directors</b>	<b>Date:</b>	<b>29/09/2020</b>

### 1. Introduction

Alma Capital Investment Management S.A. (hereafter “ACIM” or the “Company”) is a Luxembourg-based management company subject to Chapter 15 of the UCI Law of 17 December 2010, and to Chapter 2 of the AIFM Law of 12 July 2013 as amended. ACIM is the management company for UCITS and alternative investment funds or sub-funds (the “Funds”).

This procedure aims to define the remuneration policy (hereafter the “Policy”) in place within the Company, including its UK branch Alma Capital Investment Management, London branch (“ACIM Branch”), in accordance with the latest UCITS and AIFM regimes.

### 2. Legal and regulatory background

ACIM has implemented the Policy relating to remuneration, in accordance with the applicable legal background:

#### *Luxembourg Laws*

- Law of 17 December 2010 relating to UCITS
- Law of 12 July 2013 on AIFM

#### *CSSF Circulars*

- CSSF circular 10/437 of 1 February 2010
- CSSF circular 11/505 of 11 March 2011
- CSSF circular 18/698 of 23 August 2018

#### *ESMA guidelines*

- 2016/575 Guidelines on sound remuneration policies under the UCITS directive
- 2013/232 Guidelines on sound remuneration policies under the AIFMD
- 2016/411 Final report on guidelines on sound remuneration policies under the UCITS Directive and AIFMD
- 2016/579 Guidelines on sound remuneration policies under the AIFM Directive

### 3. Purpose

This Policy intends to reflect the following commitments of the Company to promote a sound and effective risk management which does not induce excessive risk-taking, which is inconsistent with the risk profile, rules or instruments of incorporation of the funds managed and the interest of investors of such funds in order to avoid conflicts of interest.

### 4. Scope

The Policy applies to ACIM employees (the “ACIM Employees”), as well as to members of the following categories of persons together designed hereafter as “Identified Staff”:

Senior and executive management:

- executive and non-executive Board members
- independent and non-independent Conducting Persons

Control functions<sup>1</sup>:

- compliance officer
- risk manager

Other risk takers:

- branch manager of the ACIM Branch(es)
- in-house portfolio managers
- any other employee of the Company which is deemed to be risk taking, as decided by the Board of Directors

For the avoidance of doubt, on an annual basis, the Board of Directors will confirm the list of Identified Staff in the scope of such remuneration policy.

### 5. Remuneration structure overview

#### *General principles*

This policy is aimed at aligning remuneration with prudent risk-taking. The design of the remuneration system is consistent with the objectives set out in the Company’s strategy and lies in a proper balance of variable to fixed remuneration and the measurement of performance, based on a combination of the assessment of the individual performance and of the overall results of the Company.

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<sup>1</sup> The internal audit function is delegated to Mazars Luxembourg S.A.

*Proportionality principle*

As a reminder, until January 2020, in view of the Company's size, its internal organization, its nature, scope and complexity of its activities, ACIM applied the proportionality principle, which is not applicable anymore since the transfer of the Platinum business. As such, and since January 2020, the Company strictly applies all remuneration policy rules and requirements, and in particular all deferral of variable remuneration and pay outs in instruments for the Identified Staff

An assessment has been done whether a Remuneration Committee should be implemented. Based on the analysis performed, and especially in the light of the criteria given in the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD", it has been decided that no Remuneration Committee needed to be implemented considering the current features of the Company.

**5.1. Fixed remuneration to the ACIM Employees and the Identified Staff**

The fixed remuneration represents a sufficiently high proportion of the total remuneration to allow a fully flexible policy operation on variable remuneration components, including the possibility to pay no variable remuneration.

The fixed salary is based on the employee's role and experience and local practice. Salaries are reviewed annually by the HR manager, CFO and the CEO of ACIM, taking into account the above mentioned individual annual and interim performance reviews, significant changes in job responsibility and/ or market tension. The Chairman of the Board of directors specifically ensures salaries remain competitive with the industry and local practice before confirming annual fixed salaries to the employee.

**5.2. Annual bonus and variable remuneration**

**a. Annual bonus**

ACIM employees as well as Identified Staff may be eligible to receive an annual discretionary bonus (the "Bonus").

The Bonus is awarded both on the basis of the Company and the individual performance of each of the ACIM employees and Identified Staff in respect of performance targets and goals established during the interim and annual individual performance evaluation process.

The global envelope of the Bonus to be shared among the employees and Identified Staff is determined annually by the CFO & CEO and then presented and approved by the December Board of Directors. Upon approval of such global envelope, the Board of Directors may delegate the allocation of this Bonus envelope among the ACIM employees and Identified Staff to the CEO and/or to any other(s) Conducting Officer(s) of the Company.

Guaranteed Bonus is exceptional and awarded only in the context of hiring new staff and only for the first year.

#### **b. Variable remuneration to the Identified Staff**

The Identified Staff may receive a variable remuneration which could represent significant amounts of the total remuneration. As such, a proportion of the overall variable remuneration will be deferred over a 3-year period (1/3<sup>rd</sup> vesting every year). The amount to be deferred will be defined using a cascade of absolute amounts, and more specifically the following cascade should be used:

- amount of variable remuneration between 0 and 100 000€: 100% is paid upfront;
- amount of variable remuneration between 100 000€ and 200 000€ : 60% is paid upfront and the rest (40%, i.e. 40 000€) is deferred over a 3-year period (1/3<sup>rd</sup> being vested every year)
- amount of variable remuneration above 200 000€: 50% is paid upfront and 50% is deferred over a 3-year period, each third being vested every year.

A minimum of 50% of the deferred amounts will be paid out in instruments rather than in cash. Instruments can be of different kinds, and may include shares/units in one or more of the ACIM' funds in respect of which the individual has influence or another suitable instruments as determined by the Board.

For illustrative purposes only, should an Identified Staff be awarded a bonus representing 250 000€, then he will be paid 100 000 + 60 000 + 25 000 = 185 000€ in cash up front as well as 65 000€ to be deferred over a 3-year period, i.e. 21 666€ to be paid after the end of year 1, the end of year 2 and the end of year 3. A minimum of 10 833€ each year may be paid in shares /units of the UCITS managed by ACIM, the choice of which being at the discretion of the Identified Staff.

### **5.3. Benefits**

In addition to the fixed remuneration and variable remuneration, the Company may offer meal vouchers to the ACIM Employees and to the Identified Staff, as well as some other core and flexible benefits. Such other Benefits may include but are not limited to pension plans, enhanced private medical schemes, life assurance, travel insurance, dental benefits etc.

### **5.4. Specific provisions**

#### *Remuneration of the members of the Board of Directors*

Executive Board members do not receive any specific fixed remuneration or variable remuneration from ACIM to perform their professional duties as Directors of the Company. They receive a fixed remuneration from ACIM or from other companies within the Alma Capital Group to compensate for their executive duties among the Group.

The non-executive Board members may receive a fixed remuneration. This fixed remuneration is set according to market practice, and approved annually by the general meeting of ACIM shareholders.

*Remuneration of the conducting persons and controlling functions*

As for all employees of ACIM, performance measures for employees responsible for control function and for conducting persons will be based on the achievements and objectives of the functions, and their remuneration will be determined independently from the performance of the specific business areas they support, therefore helping to prevent any potential conflicts of interest.

*Remuneration to the delegated investment managers*

Since ACIM delegates the portfolio management of the Funds to several and distinct investment managers, the Company has to ensure the alignment of interests between the investment managers and the investors.

ACIM ensures that the remuneration policies of the delegated investment managers comply with the above mentioned ESMA guidelines and particularly that:

- its delegates are subject to regulatory requirements that are equally as effective as those applicable to ACIM; or
- appropriate contractual arrangements are in place with its delegates to ensure that there is no circumvention of the remuneration rules applicable to ACIM.

## **6. Claw-back (ex-post risk adjustment)**

As long as this is allowed by the applicable rules and regulations, the Company reserves the right to demand full or partial repayment from the individual who has been awarded variable remunerations in the following conditions:

- fraudulent conduct of staff member;
- misleading information by a staff member;
- breach of ESMA guidelines.

Should any of the instances listed above occur, and should there be any part of the Identified Staff remuneration remaining as deferred / non-vested, these amounts will automatically be canceled and considered not due to the Identified Staff.

## **7. Governance**

ACIM size does not make mandatory the definition of a specific remuneration committee, as indicated above. The Board of Directors of ACIM remains the body responsible for the approval of this policy, its annual review and its proper implementation. For these purposes, the Board of Directors is supported

by the Chief Financial Officer as well as the Compliance Officer of the Company.

## **8. Disclosure**

### *External Disclosure*

The Funds issue on an annual basis their annual report, covering details on the remuneration policy of their management company ACIM.

This remuneration policy is also available free of charge at the Company's registered office at the request of the investors, and this information is disclosed on the Company's website

### *Internal Disclosure*

This remuneration policy is part of the Company's policies and procedures and as such the main principles are available to all staff. The employees are regularly informed about their remuneration, criteria used to measure performance and the link between performance and pay.

Luxembourg, 29 September 2020