

IQ EQ FUND MANAGEMENT (IRELAND) LIMITED

REMUNERATION POLICY SUMMARY

November 2024

1 PURPOSE

This document summarises the remuneration policy of IQ EQ Fund Management (Ireland) Limited (**IQ EQ FM**), including the principles governing how IQ EQ FM remunerates its key members of staff.

Through adoption and implementation of the policies contained in this document, IQ EQ FM seeks to demonstrate how it complies with the remuneration related provisions of the UCITS and AIFMD Regulations.

2 REGULATORY FRAMEWORK

Under both the UCITS Regulations and the AIFMD Regulations, IQ EQ FM is required to establish and apply remuneration policies and practices for its 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 UCITS or AIFs it manages nor impair compliance with IQ EQ FM's duty to act in the best interests of the funds.

3 REMUNERATION PRINCIPLES

IQ EQ FM adheres to the following principles regarding remuneration applicable in a way and to the extent that is appropriate to IQ EQ FM's size, internal organisation and the nature, scope and complexity of its activities:

- (a) IQ EQ FM's remuneration policy is designed to be consistent with and to promote sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS or AIFs under management;
- (b) the policy is in line with the business strategy, objectives, values and interests of IQ EQ FM and the UCITS and AIFs it manages and of the investors in such funds, and includes measures to avoid conflicts of interest;
- (c) the policy is adopted by the Board of Directors of IQ EQ FM and that body adopts, and reviews at least annually, the general principles of the policy and is responsible for, and oversees, their implementation;
- (d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of Directors of IQ EQ FM;
- (e) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (f) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the IQ EQ Group Remuneration Committee;
- (g) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit and as to their risks and of the overall results of IQ EQ FM, taking into account financial and non-financial criteria;
- (h) IQ EQ FM will not offer guaranteed variable remuneration, except only in the context of hiring new staff and provided it is limited to the first year of engagement;

- (i) fixed and variable components of total remuneration will be appropriately balanced and the fixed component will represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- (j) any payments relating to the early termination of a contract will reflect performance achieved over time and will be designed in a way that does not reward failure;
- (k) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components will include a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- (l) variable remuneration, including the deferred portion, will be paid only if it is sustainable according to the financial situation of IQ EQ FM as a whole, and justified according to the performance of the business unit, and the individual concerned. The total variable remuneration will generally be considerably contracted where subdued or negative financial performance of IQ EQ FM occurs;
- (m) the Firm's pension policy will be in line with the business strategy, objectives, values and long-term interests of the Firm;
- (n) staff are not permitted to use personal hedging strategies or remuneration and liability-related insurance; and
- (o) variable remuneration will not be paid through vehicles or methods that facilitate the avoidance of the requirements laid down in the UCITS Regulations and AIFMD Regulations.

4 DELEGATION

IQ EQ FM ensures that where it has delegated investment management functions (including risk management) to a delegate investment manager: (a) the relevant staff of any such delegate are subject to regulatory requirements on remuneration which are equally as effective as those applicable to IQ EQ FM; or (b) contractual arrangements are in place between IQ EQ FM and such delegate in order to ensure that there is no circumvention of the remuneration rules applicable to IQ EQ FM.

IQ EQ FM maintains 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 to IQ EQ FM, this shall include the relevant regulatory regime under which the delegate investment manager is authorised.

Where IQ EQ FM has appointed a delegate investment manager which is not subject to regulatory requirements on remuneration which are equally as effective, IQ EQ FM 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 rules applicable to IQ EQ FM.

5 ORGANISATION AND ACTIVITIES

IQ EQ FM manages both UCITS and AIFs. It is also authorised to manage portfolios of investments in accordance with mandates given by investors on a discretionary, client-by-client basis, i.e. individual portfolio management, and to provide investment advice and the service of receipt and transmission of orders in financial instruments.

IQ EQ FM has an Irish head office with a branch in Luxembourg. It has no subsidiaries. The types of investment policies and strategies of the UCITS/AIFs it manages include fixed income, equities, loan

origination, private equity, derivatives, fund of funds, ETFs, and real estate. The redemption policies of the AIFs/UCITS under management range from being open ended with daily liquidity to closed ended with no redemption opportunity. The majority of the funds that are managed by IQ EQ FM are domiciled in Ireland and authorised by the Central Bank of Ireland. IQ EQ FM's total assets under management is c.€34.6 billion (net asset value as of 31st December 2023). It is a private limited liability company and is not listed or traded on a regulated market. IQ EQ FM acts as a manager to funds comprising AIFs, UCITS, and unregulated structures. IQ EQ FM undertakes collective portfolio management in respect of over half of the funds under its management.

Taking all of the above into account (i.e. the firm's size, internal organisation nature, the scope and complexity of its activities) and the relevance ESMA guidance, the Board of IQ EQ FM has decided not to establish a remuneration committee and instead will rely on the IQ EQ Group Remuneration Committee.

6 REMUNERATION COMPONENTS

As a general principle, IQ EQ FM sets out the total remuneration package of relevant 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 IQ EQ FM operates. An absolute separation between the fixed and variable components is always maintained with no leakage between these two components.

IQ EQ FM recognises that in addition to the fixed remuneration, a variable remuneration component can be awarded to all staff members as additional payment or benefit in relation to the service provided by such staff. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee's rank 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; and severance payment. 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. The performance-based remuneration motivates and rewards high performers who strengthen long-term relationships and generate income and shareholder value. IQ EQ FM will reward its employees for exceptional performance by way of a taxable bonus payment.

Pension schemes provide employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. Other benefits are awarded on the basis of individual employment contracts and local market practice. The other additional benefits may include a profit sharing plan, health insurance, paid time off, relocation and foreign-service compensation. Severance payments are payable in accordance with relevant employment laws.

7 PERFORMANCE-BASED REMUNERATION

IQ EQ FM maintains a fully flexible policy on variable remuneration. This means not only that variable remuneration will decrease as a result of negative performance by the individual, business unit or IQ EQ FM itself, but also that variable remuneration can go down to zero in some cases where performance deteriorates significantly, in particular where it can no longer be presumed that IQ EQ FM

can continue to be able to carry out its business as a going concern or in case of a negative assessment of the performance of the individual.

The performance-based compensation depends on the decision of the IQ EQ Group Remuneration Committee to allocate funds to the performance-based remuneration pool. This pool may vary over periods depending on:

- the net profit of IQ EQ FM in absolute terms and versus budget, realised over the relevant fiscal year;
- the allocated budget as agreed with the ultimate parent company on the basis of IQ EQ Group's results;
- cost development of IQ EQ FM;
- internal specific risks affecting IQ EQ FM;
- compliance with internal business procedures and conduct of business rules;
- particular market conditions relevant for the business.

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

8 MEASURES TO AVOID CONFLICTS OF INTEREST

Performance-based remuneration is awarded in a manner which aims to avoid conflicts of interest. IQ EQ FM has put in place the following measures to ensure that the variable remuneration awarded does not impair the duty of IQ EQ FM to act in the best interest of its clients:

- the variable remuneration of all staff members is reliant on the financial results of IQ EQ FM and the IQ EQ Group, the individual performance of the staff member, and the financial results of his/her business unit;
- references used in the calculation of variable remuneration are common across investment services and products offered and include qualitative criteria;
- variable remuneration is calculated and awarded on a linear basis rather than being dependent on meeting an 'all or nothing' target;
- fixed remuneration remains sufficiently high as compared to variable remuneration;
- variable remuneration takes into consideration the fair treatment and the satisfaction of the client and complaints made by clients are assessed during the award process.

IQ EQ FM has implemented adequate controls for assessing compliance with its remuneration policies and practices. The remuneration policy is periodically reviewed by the IQ EQ Group Risk and Compliance and IQ EQ Group Internal Audit who regularly assess the adequacy of the measures put in place to avoid conflict of interests. In addition, the outcome of the assessment and controls are regularly reported to the Board of Directors of IQ EQ FM.

The independent non-executive members of the Board of Directors receive a fixed directorship fee and do not receive variable remuneration.

IQ EQ FM 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 favour 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 Group Remuneration Committee.

The performance of the Chief Compliance Officer and the Chief Risk Officer will not be linked to the performance of the business. Instead any variable remuneration to be paid to the Chief Compliance Officer or Chief Risk Officer will be determined by assessing his/her performance in delivering his/her responsibilities, which will include :

- achieving the actions agreed in the compliance/risk programmes within or ahead of the agreed timeframe approved by the Board of Directors;
- achieving the actions agreed in relation to risk management as approved by the Board of Directors;
- developing effective and efficient controls which consistently deliver timely reporting to the business and all relevant authorities;
- escalating issues in a prompt manner to the Board if necessary.

9 PERFORMANCE MEASUREMENT

In cases where the remuneration of a 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 IQ EQ FM.

When determining individual performance, financial (quantitative) and non-financial (qualitative) criteria, such as compliance with internal rules and procedures, are taken into account. The quantitative and qualitative criteria and the balance between them is determined for each level and category of staff and is clearly documented, with appropriate records being maintained by the human resources department.

The assessment of the performance-based components of remuneration is based on longer term performance and takes into account the outstanding risk associated with the performance. IQ EQ FM uses a documented award process in order to translate performance assessment into variable remuneration. Performance will be determined by pre-agreed objectives.

10 SUSTAINABILITY RISKS

The remuneration policy reflects IQ EQ FM's objective of good corporate governance and is designed to promote sound and effective risk management with respect to sustainability risks, defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, and to ensure that the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks.

IQ EQ FM also considers the effect of potential conflicts of interest on remuneration of its delegate investment managers in a way that is consistent with the integration of sustainability risk, including (but not limited to), any activities that give rise to greenwashing, mis selling, or misrepresentation of investment strategies.

IQ EQ FM oversees delegates to which it has delegated investment management activities to ensure that they have updated their respective remuneration policies to provide for sustainability risks and that these risks have been incorporated into their respective investment decision making processes and policies.

11 DISAPPLICATION OF PAY-OUT PROCESS RULES

The pay-out process rules set out in the UCITS Regulations and the AIFMD Regulations 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.

The UCITS and AIFMD regulations allow for the disapplication of the pay-out process rules to the extent that such disapplication is appropriate on proportionality grounds taking into account the size, nature, internal organisation, scope and complexity of the management company. In preparing its remuneration policy, IQ EQ FM has made an assessment of the current nature, scale and complexity of its business and has determined that overall, its business activity is relatively low risk. IQ EQ FM has therefore decided to disapply the pay-out process rules. In reaching this determination, the Board of Directors has had regard to the size, nature, internal organisation, scope and complexity of the business of IQ EQ FM, and to the relevant ESMA guidance. The Board of Directors is satisfied that this approach aligns the interests of its relevant staff with those of IQ EQ FM, the funds under management and the underlying investors in those funds.

This application of the pay-out process rules will be reviewed regularly and revised as necessary.

12 DISCLOSURE

The remuneration policy is accessible to all 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.

In addition, IQ EQ FM makes all required remuneration disclosures in prospectus documents, key investor information documents and annual reports for funds under management.