



# Remuneration Policy

As of August 31, 2023

## General

**Innpact Fund Management S.A** (the “AIFM” or the “Company”) has implemented a remuneration policy (the “Remuneration Policy” or “Policy”) in line with the remuneration principles of Innpact S.A, which aims at ensuring compliance with the following legal and regulatory requirements:

- Article 13 of the AIFMD,
- Annex II of the AIFM Law,
- Section 5.5.9. of the Circular,
- Article 5 of the SFDR,

The purpose of all these legal and regulatory requirements is to promote sound remuneration practices in the funds industry and to prevent excessive risk taking by portfolio managers linked to their remuneration.

However, in this context, it is important to note that the Company is in principle acting as a third party AIFM and that, in most instances, it is not performing directly the portfolio management of the funds under management, even in situation where it is working with investment advisors (which is based on investment proposals), and as a result AIFM is less impacted by applicable remuneration requirements and may leverage on a proportionality principle in this matter.

On the other hand, the AIFM carries out an oversight responsibility vis-à-vis delegated portfolio managers of AIFs under management to ensure that they have implemented a sound remuneration policy and practices aligned with AIFMD requirements and ESMA Guidelines.

## Scope

The Remuneration Policy is aligned with the AIFM's strategy, objectives, values and long-term interests, which can be summed up as a desire for impact and sustainable growth, and in accordance with the principles governing the protection of clients and investors for the entire duration of the business relationship.

This Remuneration Policy deals with principles for the determination and payment of all kinds of remunerations regarding the AIFM. The Board undertakes to apply these principles to all employees, Identified Staff members and Directors of the AIFM as the case may be.

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The AIFM's Identified Staff is listed hereunder:

- individuals who are members of the Board of the AIFM: **the Directors**
- individuals who are members of the Management Committee: **the Conducting Officers**
- the control functions of the AIFM: the Risk Management, the Compliance, and the Internal Audit delegated: **the Conducting Officer responsible of the Risk Management and the Compliance function**
- staff responsible for heading operations, administration, accounting and human resources, marketing and distribution: **the Conducting Officer responsible of the Operations functions, the Conducting Officer responsible for Marketing.**
- risk takers whose professional activities have a material impact on the risk profile of the AIFM or any AIF it manages and who receive total remuneration that takes them into the same remuneration bracket as senior management and risk takers (including persons capable of entering into contracts / positions and taking decision that have a risk impact on profile of the AIFM or any AIF it manages). Such staff can include for instance salespersons, individual traders, and specific trading desk: **no other identified individual**
- any employees receiving any type of remuneration that takes them into the same remuneration bracket as senior management and risk takers: **the Department Heads of Finance, HR and Legal supporting the AIFM as appropriate.**

#### **Responsible Parties**

The Board is responsible for the approval and implementation of this Remuneration Policy, including the organization and set-up of the Remuneration Committee of the AIFM, which Terms of Reference are covered in this policy.

The Compliance Officer of the AIFM is responsible for the drafting and regular update of this policy. He/She is also ensuring that regulatory requirements related to remuneration are being complied with and the remuneration is an item covered in the Compliance Monitoring Plan of the AIFM.

#### **Proportionality Principle**

Certain remuneration requirements imposed under AIFMD, the AIFM Law and clarified by the ESMA Guidelines are subject to the principle of proportionality. Accordingly, given the size, internal organisation and activities of the AIFM, the Board of Directors may rely on such proportionality principle to simplify or neutralise the application of certain specific remuneration requirements and/or implement in a less burdensome way some of the general remuneration requirements.

#### **Remuneration principles and structure**

The AIFM ensures that fixed and variable components of each staff total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration to be able not to pay any variable remuneration. In other words, fixed salary levels should be sufficient so that in circumstances where no variable remuneration payment is warranted, the AIFM is neither contractually, nor morally bound to make any variable remuneration payment.

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### **Compliance with SFDR**

Pursuant to article 5 of SFDR “financial market participants shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks”. Accordingly, the AIFM should ensure that its remuneration policies do not encourage excessive risk-taking in terms of sustainability.

Remuneration and the integration of sustainability risks are further covered in the Environmental and Social Management System (ESMS) policy of the AIFM.

### **Remuneration of control functions**

Performance measures for employees responsible for control functions 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.

Employees who fall under this arrangement include employees in Compliance, Risk Management and Internal Audit functions.

### **Guaranteed variable remuneration**

There is no fixed nor guaranteed variable remuneration.