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Investlinx

# Remuneration Policy

## Document Control

### Version and Review History

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### Approval Sign-off

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## 1. Introduction

Investlinx Investment Management Limited (the "Manager" or the "Company") is authorized by the Central Bank of Ireland ("CBI") to act as the UCITS management company for Investlinx ICAV (the "Fund") and for the provision of investment advice and discretionary portfolio management services, described hereafter as Individual Portfolio Mandates ("IPM"), to certain individual clients.

The European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the **Regulations**) requires that Investlinx Investment Management Limited (the **Manager**) establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, prospectuses, trust deeds and deeds of constitution of the UCITS to which it has been appointed (the **Funds**) nor impair compliance with the Manager's duty to act in the best interests of the Funds.

## 2. Legal

The following regulations, guidelines and requirements are of relevance to the remuneration policies and practices of the Manager:

- The Capital Requirements Directive IV;
- Guidelines on sound remuneration policies under the UCITS V Directive and AIFMD<sup>1</sup>
- ESMA Guidelines on Sound Remuneration Policies dated 31 March 2016 (the ESMA Remuneration Guidelines).
- ESMA proportionality principle and remuneration rules in the financial sector.<sup>2</sup>

## 3. Purpose

The purpose of this document is to set out the remuneration policies and describe the remuneration practices for the Manager taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Manager.

As the nature and range of the Manager's activities, its internal organisation and operations are, in the Directors' opinion, limited in their nature, scale and complexity, this is reflected in the manner in which the Manager has addressed certain requirements regarding remuneration imposed upon it by the Regulations.

## 4. The Manager and the Board of Directors

The Manager is a UCITS management company. The board of directors of the Manager (the **Board**) are non-executive directors (each a **Director**), except for the Manager's CEO who is an Executive Director. Each Director is appointed pursuant to a letter of appointment with the Manager. The Manager has informed the Central Bank through the authorisation process that it has 7 employees, including the CEO.

<sup>1</sup>[https://www.esma.europa.eu/sites/default/files/library/2016-411\\_final\\_report\\_on\\_guidelines\\_on\\_sound\\_remuneration\\_policies\\_under\\_the\\_ucits\\_directive\\_and\\_aifmd\\_0.pdf](https://www.esma.europa.eu/sites/default/files/library/2016-411_final_report_on_guidelines_on_sound_remuneration_policies_under_the_ucits_directive_and_aifmd_0.pdf)

<sup>2</sup>[https://www.esma.europa.eu/sites/default/files/library/2016-412\\_letter\\_to\\_european\\_commission\\_european\\_council\\_and\\_european\\_parliament\\_on\\_the\\_proportionality\\_principle\\_and\\_remuneration\\_rules\\_in\\_the\\_financial\\_sector.pdf](https://www.esma.europa.eu/sites/default/files/library/2016-412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf)

## 5. Identified Staff

The Regulations, Directives and Guidelines provide that the remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Funds.

## 6. Proportionality

UCITS V provides that when establishing and applying the remuneration policies, Management Companies must comply with the remuneration requirements in a way and to the extent that is appropriate to their **size, internal organisation and the nature, scope and complexity of their activities**.

Proportionality may, subject to certain conditions, lead to the disapplication of only certain requirements if this approach can be reconciled with the risk profile, risk appetite and strategy of the UCITS, specifically the pay-out process rules and the **need to have a remuneration committee**.

## 7. Remuneration calculation

The Manager does not provide variable remuneration and does not currently have plans to do so. Methodology for the calculation of pay increases are not currently in place but is currently subject to consideration and will be subject to approval of the board. In the absence of variable payments and a methodology for payment increases, a clawback process is not in place.

The Manager granted its employees stock options to acquire shares in the Manager pursuant to the terms of an Option Agreement and the rules of the Manager's Share Option Plan. The Options will only become exercisable subject to employees' continuous employment with the Manager during the vesting period. The Options are intended to incentivise the long-term retention of key personnel by encouraging long term service, with the aim of promoting stability within the Manager. The options will be subject to clawback, for example, in the event of wrongdoing on the part of the option holder.

## 8. Requirement for Remuneration Committee

Given the internal organisation of the Manager as a UCITS management company and considering the size of the Manager with the limited nature, scope and complexity of its activities, it is not considered proportionate for the Manager to set up a remuneration committee.

## 9. Disclosure

The Manager complies with the disclosure requirements set out in the Regulations, Directive and Guidelines. The total amount of remuneration for the financial year paid by the Manager to its staff, the aggregate amount of remuneration broken down by the relevant categories of employees, a description of how the remuneration has been calculated and any material changes to the Remuneration Policy will be disclosed in the Manager's annual audited financial statements.

## 10. Responsibility

Responsibility Pursuant to Article 9(3)(c) of MiFID 2, and Article 27 of the Delegated Regulation the Board, after taking advice from the Risk and Compliance Function, has defined, approved, and oversees effective implementation of the Policy. The Board is responsible for the Policy and remuneration arrangements. The senior management team is responsible for the day-to-day implementation of the Policy and the monitoring of compliance risks related to the Policy.

## 11. Appropriateness of policy and conflicts of interest

Given its internal organisation and the limited nature, scale and complexity of the Manager's activities it is considered that the policies described in this document are appropriate for the Manager. Together with the Manager's Conflicts of Interest Policy, the Board considers that there are suitable measures in place to promote effective supervision and risk management.

## 12. Review

This policy and the implementation thereof will be reviewed by the Board at least annually, and when regulatory updates are identified.