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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**”) is authorised by the Central Bank of Ireland (the “**CBI**”) to act as the UCITS management company for Investlinx ICAV (the “**ICAV**”) and for the provision of investment advice and discretionary portfolio management services to certain individual clients.

The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (the “**Regulations**”) require that 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 (including any supplements thereto, and constitutional documents of the ICAV or its sub-funds (the “**Funds**”) nor impair compliance with the Manager’s duty to act in the best interests of the ICAV.

2. Legal

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

- The Regulations;
- ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD dated 31 March 2016 (the “**ESMA Remuneration Guidelines**”);¹
- Letter from ESMA to the European Commission, European Parliament and the Council of Europe regarding the Proportionality principle and remuneration rules in the financial sector;²
- Commission Recommendation of 30 April 2009 on remuneration policies in the financial services sector;³ and
- Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

3. Purpose

The purpose of this document (the “**Policy**”) 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.

¹ 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.pdf

² 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

³ [Commission Recommendation of 30 April 2009 on remuneration policies in the financial services sector](https://www.esma.europa.eu/sites/default/files/library/2009-04_30_april_2009_recommendation_on_remuneration_policies_in_the_financial_services_sector.pdf)

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 CBI through the authorisation process that it has 7 employees, including the CEO.

5. Identified Staff

The Regulations provide that the remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, controlled functions (including pre-approval controlled functions)⁴ (**Controlled 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 profile of the Manager or the Funds (“**Identified Staff**”).

The following categories of staff, unless it is demonstrated that they have no material impact on the risk profile of the Manager or the Funds, should be included as the Identified Staff:

- Directors;
- senior management;
- Control Functions;
- staff responsible for heading the investment management, administration, marketing, human resources;
- other risk takers – such as staff members who acting individually or as part of a group can exert material influence on the risk profile of the Manager or the Funds;

Additionally, staff whose remuneration takes them into the same bracket as senior managers and risk takers but who don’t fall into one of the categories above will be assessed to determine whether they have a material impact on the risk profile of the Manager or the Funds and should be included as Identified Staff.

A list of the Manager’s Identified Staff is appended at **Schedule 1**. It should be noted that the inclusions of persons in Schedule 1 shall relate specifically to their role within the Manager and their remuneration (if any) received directly by the Manager and shall not affect any other role or remuneration such persons may otherwise receive from entities connected with the Manager, delegates of the Manager or otherwise.

Non-executive members of the Board receive a fixed fee only for their roles as directors and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of a director is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Manager’s complexity, the extent of the responsibilities and the number of board meetings.

Members of staff (including the executive member of the Board) are paid fixed remuneration set at levels in line with market rates. The fixed and variable components of total remuneration paid to members of staff are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible

⁴ As defined in section [18\(1\)](#) of the Central Bank Reform Act 2010 (No. 23), as amended.

policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Staff will be considered for inclusion as Identified Staff when they are newly hired or if their existing role changes. The CEO will make recommendations to the Board to include staff on this list. The list will be reviewed by the Board on an annual basis.

6. Proportionality

The Regulations provide 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**.

7. Remuneration calculation

Methodology for the calculation of pay increases is not currently in place but is currently subject to consideration and will be subject to the approval of the Board.

Variable Remuneration

The Manager has adopted a Long Term Incentive Plan (the “**Incentive Plan**”) designed to retain and motivate key employees of the Manager, encourage long term service, recognise individual contributions and reward achievement of performance goals. Any awards or payments under the Incentive Plan are entirely at the discretion of the Manager and are subject to each participant having satisfying the eligibility criteria outlined in the Incentive Plan.

The Incentive Plan includes features which align with the requirements of Regulations 24(B)(1) (a), (b), (e), (g), (h), (j), and (l) (including clawback) of the Regulations. The Manager has determined to disapply the provisions of Regulations 24(B)(1) (m), (n), and (o) the Incentive Plan in accordance with the principle of proportionality bearing in mind the nature, scale and complexity of the Manager’s activities.

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 and ESMA Remuneration 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 this Policy will be disclosed in the Manager's annual audited financial statements.

10. Responsibility

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 this 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 this 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.

Schedule 1

[Identified Staff List]

<u>Name</u>	<u>Reason for inclusion</u>
Carol Mahon	Director
Brian McDermott	Director
Samuel Smith	Director*, Pre-Approval Controlled Function
Mario Bonaccorso	Director*
Michal Magdon	Pre-Approval Controlled Function
Davide Cherubini	Pre-Approval Controlled Function
Rosario Puglisi	Pre-Approval Controlled Function
Gianluca Persi	Controlled Function
Stephen Lynch	Controlled Function

* no remuneration (fixed or variable) is payable to this director solely in respect of their appointment as a director of the Manager.