



ETHENEA

# Remuneration Policy Guideline

Current version 1.6 / November 2024

ETHENEA Independent Investors S.A.

16, rue Gabriel Lippmann · 5365 Munsbach · Luxembourg

Phone +352 276 921-10 · Fax +352 276 921-1099 · [info@ethenea.com](mailto:info@ethenea.com) · [www.ethenea.com](http://www.ethenea.com)



## Remuneration Policy Guideline

1	General Remuneration Structure of the Company.....	2
2	General Remuneration Principles of the Company .....	2
3	Composition of the Variable Remuneration Components and Significant Remuneration Parameters of the Company .....	3
4	Specific Design of the Remuneration System .....	5
4.1	Identifying the Company's Risk Takers .....	5
4.2	Definition of the Company's Risk Groups/Risk Takers.....	5
4.3	Type of Remuneration for all of the Company's Risk Groups.....	6
5	Control and Approval of Remuneration.....	6



## 1 General Remuneration Structure of the Company

In principle, total remuneration can include fixed and variable remuneration components, as well as fringe benefits. The fixed remuneration component comprises the employee's monthly salary (including any allowances). The monthly salary is calculated according to the individual conditions stipulated in the employment contract. The fixed remuneration components are hereinafter collectively referred to as “fixed remuneration”.

Variable remuneration components comprise the annual bonus and other special payments (e.g. project bonuses). The variable remuneration components are hereinafter collectively referred to as “variable remuneration”. Depending on the employee's position or to meet regulatory requirements, any variable remuneration may be paid out in full or in parts on a deferred basis.

All other benefits such as meal/canteen allowances, parking spaces, and the company pension scheme are considered fringe benefits. In addition, company cars may be provided to employees performing certain functions or activities (e.g. Business Development Representatives, the Executive Board).

The Company will always ensure that fixed and variable remuneration are in appropriate proportion to one another. In doing so, there will be a differentiated weighting of the various functional areas. In addition, the proportion of the bonus in the total remuneration, as well as the relationship between the total amount of the variable remuneration and the target/guidance bonus, will be considered. The variable remuneration will be determined and paid by the Company's Board of Directors after careful consideration and review, taking into account the Company's remuneration principles.

The payment of a variable remuneration, both in terms of amount and payment method, is always at the Company's discretion and does not constitute a legal right.

## 2 General Remuneration Principles of the Company

The Company's remuneration systems are in line with the following general remuneration principles.

Fixed and variable remuneration are in appropriate proportion to one another. The fixed remuneration is designed so that the employee is not dependent on the variable remuneration to cover reasonable living expenses. Guaranteed payments of variable remuneration (e.g. a guaranteed annual bonus) are generally prohibited and are, at most, permissible in the context of the commencement of an employment relationship and for a maximum of one year.

Severance payments (payments relating to the termination of a contract) shall only be made in conjunction with the individual legal agreement reached at the time of the employee's departure. In the absence of such an individual agreement, any payment shall be based on the results achieved over the course of employment and shall take into account the Company's maxim that **“failure is not rewarded”**.

Above all, employees may not be promised guaranteed payments in the event of their leaving the Company (golden parachutes).

The Company's remuneration systems are designed in such a way that the regulations of the Group to which the Company belongs are always observed with regard to remuneration principles.



Employees with control functions shall be remunerated according to the achievement of the objectives associated with their duties, and always independently of the performance of the business areas they control.

As far as legally permissible and/or necessary, the Company shall reserve the right to adjust variable remuneration amounts at its discretion, taking into account the risk positions existing in each individual case and the legal requirements, or to execute the payment over a multi-year period, giving due consideration to the UCIs and UCITS managed by the Company.

Currently, and until otherwise decided by the Board of Directors, the so-called “proportionality principle” is applicable, and consequently no payment is made over a multi-year period. The application of the proportionality principle shall be reviewed annually and shall be subject to a decision of the Board of Directors. The CSSF shall be informed of the application of the proportionality principle.

The Company shall not provide any incentives for employees to take excessive or inappropriate risk positions. The amount of the variable remuneration of employees in control functions shall not be of an equal remuneration parameter as that of the employees in the organisational units controlled by them.

The Company follows the objective of “Pay for Sustainability” with regard to the ESG principles within the Group.

The Executive Board regularly reviews the general principles of the remuneration policy, and the resultant remuneration systems, in terms of their appropriateness (at a minimum on an annual basis) and adjusts them if necessary. The Executive Board is responsible for the ongoing implementation of, and compliance with, the remuneration policy and the resultant remuneration systems.

A Remuneration Committee may be appointed for the purpose of reviewing the remuneration of employees in risk classes 1 and 2. Currently, and until otherwise decided by the Board of Directors, the so-called “proportionality principle” is applicable, and consequently no Remuneration Committee has been designated.

### 3 Composition of the Variable Remuneration Components and Significant Remuneration Parameters of the Company

Performance is a central element of the Company's corporate culture. Therefore, performance-related variable remuneration components shall be an essential part of the company's remuneration system. The variable remuneration is market-oriented and will be compared with competitors at regular intervals.

Among other things, the variable remuneration shall take sustainable short- and long-term performance contributions into account, as well as the overall economic, sustainable value development of the Company.

When calculating the variable remuneration for the financial year (in particular the annual bonus), both the risk-adjusted performance of the Company and the individual business units, as well as the individual performance of the employee are taken into account. The Executive Board bears responsibility for co-ordinating the determination of the criteria used to measure the success of both the Group and the Company's business units, with the criteria then set by the Board of Directors. The relevant key performance indicators for the individual business areas are developed according to the respective strategies, goals, risks and necessary activities.



# ETHENEA

The definition of the criteria for measuring Group and business success, as well as the relevant key figures for the individual business areas - in particular the risks of the business unit to be taken into account - can be adjusted. In doing so, the criteria and key figures can be limited or expanded in order to adequately take all relevant types of current and future risks into account in the measurement of success.

Individual targets, as well as target or orientation bonuses, are agreed upon or determined within the framework of internal guidelines in the respective business area through the cooperation of managers and employees.

The decision on whether to grant and pay a variable remuneration (either partially or in full), including any provisions made, presupposes that such a payment is sustainable, taking the economic situation of the Company into account. The Board of Directors shall consider this sufficiently in its decision regarding the partial or full granting and payment of a variable remuneration.

The variable remuneration (partial or full) shall not be paid in the form of instruments or methods that may facilitate, encourage or enable partial or complete circumvention of the remuneration principles outlined.

In the event of verifiable factors or circumstances, the Company has the right to demand a corresponding recovery of the variable remuneration from the employee (partially or in full). Specifically, the factors or circumstances are evidence of serious misconduct with a significant impact on the Company's business development, performance, financial position or reputation, which has been carried out to the Company's detriment.

The variable remuneration may be paid out pro rata over a certain period of time if this is necessary to comply with legal, statutory or internal remuneration principles. Currently, and until otherwise decided by the Board of Directors, the so-called "proportionality principle" is applicable, and consequently payment in the form of shares (UCITS, UCI) does not take place. A variable remuneration and its payment in a legitimate manner and amount requires that no conflict of interest is created or that there is no incentive for risk-taking that is incompatible with the activities of the Company, the risk profiles, the contractual conditions or the Articles of Association of the UCI.



## 4 Specific Design of the Remuneration System

### 4.1 Identifying the Company's Risk Takers

The Company's Executive Board has identified those employees and areas whose activities have a material impact on the Company's overall risk profile (relevant decision-making authority, access to systems, controlling activities, etc.). These are hereinafter referred to as “risk relevant employees”.

The Company will instruct and require employees not to engage in any personal hedging strategies or other measures that are likely to undermine or counteract the remuneration rules stipulated herein.

In determining the risk takers/risk bearing departments, the Company has considered the business activities and products.

Currently, the Company classifies its activities as non-complex. This is a key criterion for the application of the proportionality principle.

### 4.2 Definition of the Company's Risk Groups/Risk Takers

In designing the remuneration systems, the Company currently distinguishes between the following risk groups, which are structured as follows due to the different risk profiles and the different weighting of the existing potential to influence the stability of the Company and the Company's activities:

#### **Risk Group 1**

(Significant and relevant decision-making authority with significant scope, comprehensive supervisory function, access to the relevant specialist and/or higher-level systems (recording, view)):

**Executive Board, Portfolio Management, PM/Execution**

#### **Risk Group 2**

(Relevant assessment competence together with controlling function, with a high scope and framework for action, access to the relevant subject-related systems (recording, view)):

**Risk Management, Compliance, Valuation, IT, Accounting**



## **Risk Group 3**

(Assessment and decision-making competence with limited scope and framework for action, access to the relevant specialist systems (recording, view)):

### **Outsourcing Controlling, Legal, Auditing**

## **Risk Group 4**

(Limited assessment competence, little/no control function, access only to subject-related relevant systems (no systems with overriding scope)):

### **Marketing, Communication, Fund Operations, Distribution Services**

## **4.3 Type of Remuneration for all of the Company's Risk Groups**

Variable remuneration is made in the form of a (gross) payment, unless otherwise agreed in writing with the risk-relevant employee in compliance with all legal, statutory or internal principles, or unless a different payment modality is required by law or statute.

## **5 Control and Approval of Remuneration**

During the course of implementing the regulatory and statutory requirements, the Company's Executive Board advises the Board of Directors, with particular regard to the appropriateness of the remuneration systems, as well as their design and further development.

The Executive Board reviews the application of the proportionality principle at least once a year, or more frequently if necessary. It documents its decision in a resolution of the Executive Board, which includes a recommendation to the Board of Directors.

The Board of Directors shall, after considering the criteria, analyses and recommendation of the Executive Board, make a decision regarding the application of the proportionality principle. The Company shall document this and align its remuneration practices accordingly. The Company shall provide appropriate information on the remuneration policy, in particular, to investors, the CSSF, Internal Audit, Compliance and the Company's auditor.

*In the event of discrepancies regarding the interpretation of the translation, the original document in German shall prevail.*