



Remuneration Policy

BTG Pactual Europe Management Company S.A.

03/12/2025



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1. Scope

1.1. BTG Pactual Europe Management Company S.A.

BTG Pactual Europe Management Company S.A. (formerly INTER-PORTFOLIO Verwaltungsgesellschaft SA) (**BTG ManCo**), is a public limited company (*Société Anonyme*) with its registered office in 29, avenue de la Porte-Neuve, L-2227 Luxembourg and registered with the R.C.S., Luxembourg under no. B76569.

BTG ManCo is a management company authorized under Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment (**UCIs**). The purpose of BTG ManCo is to set up and manage UCIs with several sub-funds within the laws of 13 February 2007 and 17 December 2010, as well as to carry out all activities related to the creation and management of these UCIs. It also offers tailor-made solutions for the management of undertakings for collective investment in transferable securities (**UCITS**).

BTG ManCo is a wholly owned subsidiary of BTG Pactual Europe S.A. (formerly FIS Private Bank S.A.) (**BTG Europe**), a credit institution authorised and supervised by the Commission de Surveillance du Secteur Financier (**CSSF**) in Luxembourg.

1.2. BTG Pactual Group

BTG ManCo is indirectly owned by Banco BTG Pactual S.A., a credit institution incorporated and governed by the laws of Brazil (**BTG Pactual**), and therefore it integrates the BTG Pactual group (the Group) since 20 September 2023.

1.3. Scope of remuneration policy

This BTG ManCo remuneration policy (the **Remuneration Policy**) sets the framework for the Remuneration of the Staff Members (as defined below in Appendix 1).

For certain provisions, specific rules apply to those Staff Members whose professional activities have a material impact on the risk profile of BTG ManCo or of the UCITS it manages – the Identified Staff (as defined below in Appendix 1).

BTG ManCo's Remuneration Policy is aligned with the principles and values of the BTG Group's meritocratic partnership model, and is overall aligned with the remuneration policy of BTG Europe, although adjusted to account for the specific legal provisions on remuneration applicable to management companies such as BTG ManCo.

Where Group-related remuneration policies and the Remuneration Policy conflict due to local legal considerations, the Remuneration Policy shall always prevail.

Deviations from the remuneration policies in place are, however, exclusively conceivable to the extent local mandatory rules dictate so.

Remuneration Policy shall not create any acquired/ (quasi-) contractual rights to any Staff Members and can be amended at any time at the discretion of BTG ManCo. The provisions of Remuneration Policy shall prevail over any (quasi-)contractual provisions relating to Remuneration.

1.4. Legal framework

The Remuneration Policy has been drawn up taking into account to the following legislations and guidelines (the “**Legal Provisions**”):

- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (particularly articles 14a to 14b).
- the law of 17 December 2010 concerning undertakings for collective investment (particularly articles 111a to 111b).
- CSSF circular 10/437 concerning the remuneration policies in the financial sector.
- CSSF circular 18/698 on authorisation and organisation of fund managers incorporated under Luxembourg law.
- ESMA Guidelines (ESMA/2016/575) on sound remuneration policies under the UCITS Directive.
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (particularly article 5).

1.5. Review, update and effective date

The Remuneration Policy is subject to annual review by the Board of Directors and the update is performed by the HR and legal department and is presented for review and approval to the Board of Directors.

The periodic review of the implementation of the Remuneration Policy may be, partially or totally, externally commissioned, where appropriate. The Board of Directors remains responsible for the review of the Remuneration Policy and for ensuring that the results of the review are followed up. Moreover, the relevant control functions should be closely involved.

The Remuneration Policy is effective as of 03 December 2025.

1.6. Philosophy

Remuneration Policy aims to create competitive remuneration packages in order to attract and retain employees. It is consistent with the Group’s and BTG ManCo’s business and risk strategy, corporate culture and values and their long-term interests, but also of the shareholders, investors and Staff Members. It focuses on the avoidance of conflicts of interest and, in particular, of incentives to take increased risks with the aim of obtaining increased Variable Remuneration. It takes into account the compatibility with an adequate and sound risk management and is intended not to encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITs managed and the risks taken by investors.

The Remuneration Policy is gender neutral, i.e. it does not create any distinction between Staff Members of male, female or diverse gender for equal work or work of equal value pursuant to Article 157 of the Treaty of the Functioning in European Union.

BTG ManCo will ensure that the value of Staff Members’ position is documented (including, e.g. job descriptions) and that positions of equal value (in view of the tasks and duties assigned to the position) are

compensated in a gender-neutral manner. Gender pay gap monitoring will be carried out at BTG Pactual Europe level.

In addition, all Staff Members must comply with the policies in place reflecting the increased importance of, and the responsibilities of businesses in relation to, sustainability (Regulation (EU) 2019/2088), and in particular comply with the Social, Environmental and Climate Responsibilities Policy which defines the principles and guidelines of a social, environmental, and climate policies to be followed by the entities comprising the Prudential Conglomerate of BTG Pactual (**BTG Conglomerate**), as well as by the entities of the BTG Pactual Economic Group (understood as the entities directly or indirectly controlled by BTG Pactual S.A. and included in the Consolidated Financial Statement) in the conduct of their business, activities and operational processes, as well as the relationship with their clients and other stakeholders.

The Company undertakes to maintain a remuneration policy that takes into account environmental, social, and governance (ESG) factors in its business decisions and avoids misguided incentives to taking excessive risks (including relevant sustainability risks).

The Company aligns its ESG goals with corporate strategy and stakeholder expectations, including:

- **Environmental:** carbon footprint reduction, energy efficiency
- **Social:** diversity and inclusion, employee well-being
- **Governance:** ethical conduct, compliance, board diversity

ESG principles are integrated throughout its operations, from the highest levels of governance to stakeholder engagement. This includes incorporating ESG considerations into decision-making processes, risk management frameworks, and performance evaluations, as well as regularly monitoring and reporting on ESG performance.

1.7. Objectives of the Remuneration Policy

This Policy has been defined in accordance with the philosophy described in the previous paragraph and pursues, in particular, the following objectives:

- a) avoid potential conflicts of interest
- b) aligning the risks taken by Staff Members with those of the UCITs managed, the investors of such UCITs and BTG ManCo itself;
- c) encourage Staff Members involved in providing services to clients and other stakeholders to adopt responsible business conduct, promote fair treatment and protect the interests of clients and more generally the long-term interest of BTG ManCo and the Group;
- d) implement the Group's and BTG Manco's business strategy, in line with their mission, values, long-term interests and best practices and trends in the market;
- e) ensure that the Remuneration of Staff Members complies with the duties of conduct to which they are bound by law and/or contractual provision;
- f) ensure that the Remuneration of Staff Members does not jeopardize the interests and rights of clients, investors and other stakeholders, is adapted to the real and concrete needs of the work and to their ability to honor the commitments made to BTG ManCo;
- g) promote sound and prudent risk management, not allowing risk-taking at a higher level than that tolerated by BTG ManCo, UCITS managed, investors and other stakeholders; and

- h) ensuring that the actions of Staff Members respect the values and image of BTG ManCo and the Group, creating value for the company through the provision of excellent services to investors and other stakeholders.

1.8. Proportionality

1.8.1. At BTG ManCo level

BTG ManCo will rely on the proportionality principle in compliance with the Legal Provisions, and will therefore not apply the obligation to pay Variable Remuneration in financial instruments and through a deferral scheme (the “**Pay-Out Rules**”), for so long as it will continue to meet the criteria for proportionality, notably in view of its size as well as the size of the UCITS it manages, its internal organization and the nature, scope and complexity of its activities, as:

- the value of BTG ManCo’s capital and the value of the assets under management of the UCITS that BTG ManCo manages are not substantial especially compared to the threshold provided for the setting of a remuneration committee as provided under point 57 of the ESMA Guidelines;
- the number of staff is low;
- there are no branches or subsidiaries of BTG ManCo;
- BTG ManCo’s area of activities covers a limited number of EU jurisdictions;
- the legal structure of BTG ManCo or the UCITS it manages is straightforward,
- the internal governance structure of BTG ManCo is not complex;
- there is no listing on regulated markets of BTG ManCo or the UCITS it manages;
- BTG ManCo **only** performs the type of authorized activities (collective portfolio management of UCITS only) under chapter 15.

Accordingly, BTG ManCo does not have to apply the requirements regarding the deferral of Variable Remuneration and its payment in instruments.

1.8.2. At the level of the Identified Staff

The Company will identify as Identified Staff, Staff Members who can have a material impact on the risk profile of BTG ManCo or on a UCITS it manages, either based on their role, the structure of their remuneration or the size of their obligations into which they may enter on behalf of BTG ManCo unless BTG ManCo can demonstrate that they have no material impact on the management company’s risk profile or on a UCITS it manages, in line with section 3.1 below.

1.8.3. Ex-post risk adjustments

Irrespective of the application of the proportionality principle, BTG ManCo reserves the right to withhold or reclaim, through malus and/or claw back all or part of the Variable Remuneration if circumstances become known that:

- the assessment leading to the award and/or payment of Variable Remuneration was based on manipulations where the Staff Member was involved in or responsible for;
- the Staff Member was involved in or responsible for a situation that resulted in a significant downturn

in the financial performance of BTG ManCo and/or the UCITS managed and/or the Group;

- the Staff Member was involved in or responsible for a situation that resulted in a significant failure of risk management for BTG ManCo or the UCITS managed;
- there is evidence of serious misconduct or error by the Staff Member, which may include but is not limited to, involvement in/responsibility for:
 - breach of code of conduct and other internal rules;
 - breach of external/internal regulations related to standards of suitability and conduct;
- the Staff Member was involved in or responsible for a situation that led to any regulatory sanctions, e.g. punitive, administrative, disciplinary or otherwise, which have been inflicted by the regulator or any competent authorities.

“Involvement in” as per the aforementioned situations shall be understood as/given in the following cases:

- the facts could lead to the dismissal (with or without notice) of the Staff Member as per case-law; and/or
- the Staff Member’s involvement was intentional, grossly negligent (irrespective of the definition provided by labor courts, i.e. even if in view of e.g. the employee’s age and seniority a dismissal without notice could not be reasonably considered) or resulted from an unacceptable toleration or omission, the unacceptability to be assessed in view of a Staff Members’ role, level of qualifications, experience and seniority.

“Responsible for” as per the aforementioned situations shall be understood as a scenario where any of the aforementioned is committed by another person but attributed to the Staff Member as a result of a failure of his/her supervision or monitoring duties.

Any cancellation of award, in whole or in part, as well as any repayment claim can take place for a period of 3 years:

- as of the award (in case of application of a malus, i.e. where the award was made but has not yet vested and/or been paid out); or
- as of the payment (in case of claw back, i.e. when the award has vested and/or been paid out).

BTG ManCo reserves the right to seek reimbursement of the gross amount paid to the Staff Member – as opposed to the net amount. BTG ManCo may, at its entire discretion, agree on a repayment plan. Where Variable Remuneration has been paid in instruments, reimbursement shall be on the amount effectively paid out (as opposed to the value of the instrument at the time of award).

2. Remuneration policy for all Staff Members

2.1. General principles

Remuneration for all Staff Members is divided into either Fixed Remuneration or Variable Remuneration. There is no third category of Remuneration.

All Remuneration, whether it is Fixed or Variable, is determined based on gender-neutral and non-discriminatory criteria and with the goal of ensuring equal opportunities to all Staff Members.

There will be no discrimination on the basis of protected characteristics when determining Fixed and Variable Remuneration awards.

2.2. Fixed Remuneration

Fixed Remuneration includes the base salary, fringe benefits and to the extent eligible, an expatriation-related package. Fixed Remuneration is determined by experience, aptitude for the role, market data and reflects the Staff Member's professional experience, level of education and organizational responsibility as set out in the terms of employment. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

The Fixed Remuneration is agreed in the (employment) contract (in alignment with local laws). In addition, Staff Members may be eligible for enrolment in a market standard complementary pension scheme (excluding the Board of Directors in its management function), as well as ancillary benefits such as luncheon vouchers, car allowance, etc.

Expatriates may receive an expatriation-related package which includes compensation for the difference in the cost of living, compensation for housing and school fees, in accordance with legal requirements and in line with the BTG Mobility Policy.

BTG ManCo will generally apply the following rules to assess whether a Remuneration component shall be considered Fixed, noting that Remuneration is fixed where the conditions for its award and its amount are:

- based on predetermined criteria;
- non-discretionary reflecting the level of professional experience and seniority of the Staff Member;
- transparent with respect to the individual amount awarded to the individual Staff Member;
- permanent, i.e. maintained over a period tied to the specific role and organizational responsibilities;
- non-revocable;
- not permitted for reduction, suspension or cancellation by the institution;
- not providing incentives for risk assumptions; and
- not depending on performance.

Where the clear allocation of a component to the Fixed Remuneration is not possible based on the aforementioned criteria, it should be considered as Variable Remuneration.

2.3. Variable Remuneration

2.3.1. Principles

Variable Remuneration is designed to ensure it is sound-risk management, it is performance-based, and does not promote or encourage excessive risk-taking. Variable Remuneration is discretionary and as such will be determined at BTG ManCo's sole discretion in relation to all Staff Members.

Variable Remuneration is determined by contribution and performance in a given performance year; it is assessed and shall vary depending on the performance criteria set, reflecting the long-term performance and objective of BTG ManCo and the Staff Member as well as the achievement of the investment strategy of UCITs managed and the business plan. It can amount to zero, as BTG ManCo reserves the right to pay no Variable Remuneration. BTG ManCo reserves the right to apply malus/claw back as per section 1.7.3. "Ex-post risk adjustments ".

The Group issues an envelope that is reviewed and adopted by the Board of Directors in its supervisory function in accordance with compliance and risk and upon confirmation of adequacy. The factors used in setting bonuses are discretionary. The bonus envelope and potential award/payment are based on at least the following factors:

- BTG ManCo's /Group's performance;
- Individual risks and performance determined using financial and non-financial criteria including, however not limited to, compliance with firm policies;
- UCITs' risks and performance.

Variable Remuneration will only be awarded/paid out provided that doing so enables the achievement/maintaining of a sound financial situation. If, for whatever reason, the award/payment would threaten the requirement for a sound financial situation, no such award/payment should be made irrespective to (inter alia) the individual performance target being met. The satisfaction of this condition will be assessed at the time an adequate bonus pool is determined, as well as at the time of award and at the time of payment. The Board of Directors in its supervisory function and the relevant control functions will be involved as appropriate to examine/confirm that the determination of the bonus pool, the award and the payment of Variable Remuneration adequately take into consideration risk and the overall financial situation. It will be ensured that Variable Remuneration will not endanger the financial stability of BTG ManCo and that the Legal Provisions in relation thereto are complied with.

2.3.2. Appropriate balance between Fixed and Variable Remuneration

As a matter of principle, the Variable Remuneration cannot exceed 100% of the Fixed Remuneration ("Maximum Variable Remuneration"). However, in accordance with the legal provisions, any exceeding of this Maximum Variable Remuneration shall be approved by the Board of Directors, taking into account detailed recommendation describing the reasons for, and the scope of, the approval of a higher ratio, including the number of Identified Staff concerned and their functions.

The appropriate balance between Fixed and Variable Remuneration will in any case reflect consideration of the business activities, capital and conduct risks.

2.3.3. Setting Bonus

For the setup of the Variable Remuneration envelope, the Board of Directors in its supervisory function will receive a suggestion based on a consolidated bottom-up exercise executed by each department of BTG ManCo aligned with BTG Group guidelines.

This envelope will be approved by the Board of Directors in its supervisory function in line and accordance with the Group's remuneration policies and Remuneration Policy (see section 2.3.1. "Principles").

When setting the bonus pools, the following will be taken into account:

- The performance and risk criteria associated with the activities undertaken, as well as control objectives, BTG ManCo's financial situation, and the financial situation of the Group. The performance indicators used to calculate the bonus pool should include long-term performance indicators and take into account the realized financial results.
- The role played by Variable Remuneration in Staff Members' attraction and retention.

Variable Remuneration will be paid provided the qualitative and quantitative criteria described below are met and the conditions set out in this Policy are fulfilled.

2.3.4. Elements of Variable Remuneration

- **Cash bonus**

Considering the proportionality analysis described above in paragraph 1.8.1 "At BTG ManCo level", the Variable Remuneration will be paid 100% in cash. Variable Remuneration exceeding USD 200,000 will be paid in two instalments, separated by a period discretionarily defined by BTG ManCo, which cannot be superior to six months. Where the Staff Member's employment has been terminated (as of a dismissal at the initiative of BTG ManCo or due to resignation) before/on the date of payment, the amount of Variable Remuneration will be forfeited, in line with section 2.3.4 "Eligibility Conditions".

- **Retention bonus**

Retention bonuses may be awarded in order to demonstrate BTG ManCo's legitimate interest in retaining Staff Members.

Retention bonuses are subject to a permanence condition (i.e. period of time during which the staff shall remain actively employed in the company in order to be entitled to the retention bonus), specific performance conditions as may be applicable and adequate conduct of the staff.

The event or justification that made necessary the award of a retention bonus will be properly documented.

A retention period for which the event or justification exists will be determined, including the start and end date and the retention bonus will be awarded on the conditions that the permanence, performance (as applicable) and adequate conduct conditions have been met at the end of the retention period.

- **Guaranteed variable remuneration**

Variable Remuneration shall not be considered guaranteed and shall not give rise to any contractual or quasi-contractual right for Staff Members, nor create any entitlement to similar benefits in the future.

The only exception applies in the context of hiring new staff, where BTG ManCo may, on an exceptional basis, guarantee Variable Remuneration in the form of a "welcome" or "sign-on" bonus, strictly limited to the first year of employment.

- **Buy-out bonuses**

In exceptional circumstances, a Staff Member may be entitled to a one-time buy-out bonus to compensate the loss of Variable Remuneration by leaving a former employer to join BTG ManCo.

A specific clause addressing this circumstance will be included in the Staff Member's employment contract.

- **Severance pay**

Severance payments may be awarded as appropriate compensation in case of early termination of contract.

Severance payments may be granted in the context of out-of-court settlement of labor disputes, to avoid a long and costly judicial procedure of uncertain outcome.

BTG ManCo will seek appropriate legal advice on the risk in court from labor law experts and will ensure that the amounts granted will not be higher than what is provided by the laws, regulations and the awards generally granted by competent courts.

2.3.5. Eligibility Conditions

Eligibility for a discretionary bonus is dependent on the Staff Member being continuously employed by BTG ManCo/the Group up to and including the date such award is actually paid. Staff Members will forfeit any entitlement to a discretionary bonus if, on or before the payment date, they have given notice of resignation or they have received notice of termination of employment, for any reason, with or without notice (or payment in lieu of notice).

If, on or before the payment date of a discretionary bonus, a Staff Member is subject to any disciplinary proceedings that could result in dismissal, either with or without notice, potential eligibility to a discretionary bonus will be suspended pending the outcome of the disciplinary proceedings. If as a result of the disciplinary proceedings, the Staff Member is subsequently dismissed, s/he will forfeit all rights to a discretionary bonus.

2.4. Performance assessment

Variable Remuneration is determined taking into account BTG ManCo, individual as well as, as appropriate, business unit/managed UCITs' performance.

We note that for staff involved in the valuation function, Variable Remuneration is not determined directly by the performance of the UCITS managed by BTG ManCo, in line with the expectations resulting from the ESMA Common Supervisory Action on valuation.

2.4.1. BTG ManCo's performance

BTG ManCo's performance is measured in line with its business plan, also taking into account the overall performance of the Group.

When determining the amount to be allocated and paid as Variable Remuneration, the performance of BTG as a whole, considering the various types of current and future risks, as well as the financial situation of BTG ManCo are taken into account.

2.4.2. Individual performance

An individual's performance appraisal is an input into the assessment of the staff performance. The performance appraisal process is set out in the onboarding process for all new Staff Members and annually communicated and updated to all Staff Members.

Individual goals are set each year and assessed twice a year. The setting of objectives for Staff Members, including Identified Staff, will be done by the line managers and functional reports within BTG Group, if applicable. Risk Management and Compliance functions shall provide input to HR in respect of any concerns about the behavior of the individuals concerned or the riskiness of the business undertaken.

Individual performance awards are discretionary in nature and based on performance assessment by managers based on objective criteria, both quantitative and qualitative, including financial and non-financial performance criteria for individuals.

The quantitative criteria may typically include: generation of income, contribution to shareholder value, target achievement, strengthening of customer relationship, etc.

The qualitative criteria may typically include investor satisfaction, compliance with BTG ManCo/the Group's policies and the Group's Core Principles, i.e. (i) Client Focus, (ii) Entrepreneurial And Innovative Spirit, (iii) High Performance And Excellence, (iv) Hard Working And Hands On, (v) Long Term Vision And Ambition and (vi) Team Work.

Where Staff Members in control functions receive Variable Remuneration, it will be appraised and determined based on function-specific objectives and will not be determined solely by the management company-wide performance criteria.

Variable Remuneration is discretionary and payment in a given year does not create any rights for the future. Issues in performance at whatever level can lead to a reduction (down to zero) of Variable Remuneration.

2.4.3. Business unit/UCITS performance

The performance of the business unit in which the Staff Members work/of UCITS managed will also be taken into account as appropriate.

3. Remuneration policy for Identified Staff

This section of Remuneration Policy provides details on the Remuneration of the Staff Members whose professional activities have a material impact on BTG ManCo's risk profile, identified as "material risk takers" and therefore classified as Identified Staff (see also section 1.7.2).

3.1. Staff identification process

The identification of staff as material risk takers of BTG ManCo will be made in accordance with the relevant guidelines and remuneration regulations and in line with section 1.7.2 above. A consolidated list of Identified Staff will be assessed and held at Group level and at the level of BTG Pactual Europe.

A detailed analysis of the Staff Members whose activities have a material impact on the risk profile of BTG ManCo or the UCITS it manages shall be carried out at the time of recruitment and at least on an annual basis.

In principle, the following Staff Members will qualify as Identified Staff, unless it is demonstrated that they have no material impact on BTG ManCo's risk profile or the UCITS it manages: members of the Board of Directors, control functions, staff responsible for heading the investment management, administration, marketing, human resources, staff who can enter into contracts/positions and taking decisions that materially affect the risk positions of BTG ManCo or the UCITS it manages (e.g. sales persons, traders) and, if they have a material impact on BTG ManCo or the UCITS it manages, other employees/persons whose total remuneration falls into the same remuneration brackets of the aforementioned risk takers.

3.2. Structure of Remuneration

3.2.1. Principles

The Remuneration of Identified Staff is, as for all other Staff Members, composed of Fixed and Variable Remuneration.

However, as an exception to this rule, if compensated, members of the Board of Directors in its supervisory function shall receive an exclusively Fixed Remuneration. This complies with the regulatory requirements to avoid conflicts of interest.

BTG ManCo will ensure that Identified Staff do not use personal hedging solutions to compensate for the loss of Variable Remuneration/undermine risk alignment effects on the Variable Remuneration. Likewise, it will be ensured that Variable Remuneration is not paid through vehicles or methods which aim at artificially evading the remuneration policy rules and requirements.

3.2.2. Appropriate balance between Fixed and Variable Remuneration

As a matter of principle, the Variable Remuneration cannot exceed 100% of the Fixed Remuneration ("Maximum Variable Remuneration"). However, in accordance with the legal provisions, any exceeding of this Maximum Variable Remuneration shall be approved by the Board of Directors, taking into account detailed recommendation describing the reasons for, and the scope of, the approval of a higher ratio, including the number of Identified Staff concerned and their functions.

Should the Board receive a remuneration, it will be established and paid in accordance with ESMA Guidelines ESMA/2015/575 and CSSF Circular 10/437.

The appropriate balance between Fixed and Variable Remuneration will in any case reflect consideration of the business activities, capital and conduct risks.

In relation to independent control functions in particular, they will predominantly be compensated with Fixed Remuneration in order to take into account the nature of their activities.

The Chairman of the Board of Directors together with the competent Human Resources team will consider the ratio between the Variable and Fixed Remuneration as part of the annual Remuneration process relative to the entity's business activities, the role of the individual and the impact of each individual within the company, with review and approval by the Board of Directors in its supervisory function and involvement of control functions as appropriate.

The Fixed Remuneration will represent a sufficiently high proportion of the total Remuneration to enable the operation of a fully flexible policy on Variable Remuneration awards, including the possibility of paying no Variable Remuneration component.

3.2.3. Elements of Variable Remuneration

The Variable Remuneration of Identified Staff is also subject to the following principles:

- **Buy-out bonus**

Buy-out bonuses can be granted in the context of hiring new staff, provided that BTG ManCo has a sound financial situation.

- **Severance pay**

Severance payments shall not reward failure or misconduct and will not be awarded in case of dismissal without notice due to the seriousness of the reasons for termination. The severance payments will be reviewed on a case-by-case basis by the Board of Directors in its supervisory function, with the appropriate involvement of control functions.

4. Governance

The Board of Directors in its supervisory function of BTG ManCo is responsible for adopting and maintaining the Remuneration Policy and oversee its implementation to ensure it is applied as intended.

The Board of Directors in its supervisory function has refrained from forming a remuneration committee in accordance with the proportionality principle as provided under section 1.7.1 above. In this respect, the setting of bonus pool will be done as described in section 2.3.2. "Setting Bonus". If BTG ManCo exceeds the thresholds referred to in paragraph 57 of the ESMA Guidelines, it will create a remuneration committee without delay.

In relation to individual payments:

- the Board of Directors in its supervisory function will, based on the envelope determined in accordance with section 2.3.2. "Setting Bonus" and the bottom up approach, approve the Variable Remuneration for Identified Staff and oversee such Variable Remuneration on a regular basis;
- the Board of Directors in its supervisory function will monitor the Remuneration of the heads of the independent control functions;
- the Conducting Officers in their management function will, based on the envelope and the bottom up approach, approve and oversee on a regular basis the Variable Remuneration in relation to all other

Staff Members;

- Human Resources will be adequately involved in the process and share to the Board of Directors all information relevant to the exercise.

Should periodical review of the Remuneration Policy reveal that the Remuneration Policy does not operate as intended, the Board of Directors in its supervisory function ensures that an action plan is proposed, approved and timeously implemented.

According to paragraph 1.5, at least once a year, the Board of Directors in its supervisory function shall also review compliance with and any need for adjustment of Remuneration Policy within the framework of the adopted review process of internal governance. The results of this review process are documented in the minutes of the meeting of the Board of Directors in its supervisory function.

In addition, the internal audit department examines the Remuneration Policy of BTG ManCo once a year within the framework of the strategic internal audit plan adopted by the Board of Directors and reports on it or on any findings to the Board of Directors. This internal audit report is formally discussed at a meeting of the Board of Directors in its supervisory function and thus forms the basis for the monitoring of the Remuneration Policy by the Board of Directors in its supervisory function, including any adjustment and/or revision requests to the Board of Directors in its management function. The annual summary report of the internal audit is also sent to the CSSF in fulfilment of the relevant reporting obligations.

HR shall participate in the adoption and monitoring of the Remuneration Policy, including the Remuneration structure, the aspect of gender neutrality, Remuneration levels and incentive schemes. It ensures that the Remuneration Policy is aligned with BTG ManCo's risk profile.

Risk Management/Compliance review this Remuneration Policy regarding its compliance with all legal requirements and avoiding excessive risks.

In the event of a significant change in the business model or the risk situation of the company, the assumptions of the Remuneration Policy must be immediately reviewed and, if necessary, adjusted.

5. Delegation of investment management activities

If and when delegating investment management functions, including portfolio management and risk management, BTG ManCo will ensure that:

- entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those set out in the ESMA Guidelines, or
- appropriate contractual arrangements are in place to ensure that such delegation does not result in a circumvention of the remuneration rules applicable to BTG ManCo.

BTG ManCo will assess the remuneration policies of its delegates as part of the initial and ongoing due diligence and will include this assessment in its oversight programme.

6. Disclosure

The Remuneration Policy will be disclosed to all Staff Members. Relevant information regarding the Remuneration Policy is made available to all members of the Board of Directors. BTG ManCo publishes relevant information on the Remuneration Policy in its annual reports, on the company's webpage and in accordance with the legal provisions in effect.

Each significant change in the BTG ManCo's Remuneration Policy will be duly communicated.

APPENDIX 1 – Definitions

For the purposes of this Remuneration Policy, the following definitions shall apply:

“Staff Members” means all individuals providing services to BTG ManCo whether they are linked by an employment contract or otherwise, including the Members of the Board of Directors.

“Identified Staff” means categories of staff, including senior management, risk takers, control functions and any employees who receive a total Remuneration that falls into the same remuneration brackets than senior management and risk takers, whose professional activities have a material impact on the risk profile of BTG ManCo or the UCITS managed by BTG ManCo and categories of staff of the entity(ies) to which investment management activities have been delegated by BTG ManCo, whose professional activities have a material impact on the risk profiles of the UCITS that BTG ManCo manages.

“Fixed Remuneration” means the base salary and fringe benefits. Remuneration is fixed where granted without consideration of any performance criteria.

“Variable Remuneration” means all components which cannot be clearly allocated to the Fixed Remuneration or are otherwise performance related.

“Remuneration” means Fixed Remuneration and Variable Remuneration, i.e. (i) all forms of awards, payments or benefits paid in exchange of professional services rendered by Staff Members as consideration for the services rendered to BTG ManCo, (ii) any amount paid by the UCITS itself, including any portion of performance fees that are paid directly or indirectly for the benefit of the Identified Staff, and (iii) any transfer of units or shares of the UCITS in exchange of professional services rendered by BTG ManCo’s Identified Staff Members as consideration for the services rendered.