

ARIA CAPITAL MANAGEMENT (EUROPE) LIMITED

Remuneration Policy

April 2025

Introduction

Aria Capital Management (Europe) Limited (“ACME” or “Company”) is required to have a remuneration policy for those categories of staff, including senior management, risk takers, control functions and any employees whose professional activities may have a material impact on the risk profile of the Company. This policy sets out the Company’s policy with regards to the remuneration packages and incentive schemes within our firm.

All of the Company’s remuneration packages and incentive schemes are to be designed to ensure that clients are treated fairly and their interests are not impaired, for example, by our remuneration policies creating a conflict of interest that encourages staff to act against the interests of any of our clients.

These principles are laid down by the Directive 2014/65/EU (MiFID II), its Commission Delegated Regulation 2017/565 and the Directive 2019/2034/EU.

Purpose and Aims

The Company is an investment firm authorised by the Malta Financial Services Authority (the “MFSA” or “Authority”). In its current operating model, the Board of Directors of the Company (the “Board” or the “Supervisory Function”) should ensure that the Policy is consistent with and promotes sound and effective risk management.

The Policy should:

- Be in line with business strategy, objectives, values and interests of the Company, its clients, the funds that it distributes and of the potential investors in such funds, in line with ACME’s role as an investment firm, help to prevent excessive risk taking.
- Enable the Company to align the interests of the funds distributed and their potential investors with those of the identified Staff that promotes the vehicles, raises assets for them, and to achieve and maintain a sound financial situation.

This Policy is also based on the Company’s assessment of the principle of proportionality in terms remuneration requirements provided by MiFID II and represents the implementation of the Investment Firms Regime (comprised of the Investments Firms Directive and the Investment Firms Regulation), published in the European Journal on the 5th December 2019 and applicable from the 26th June 2021; in particular, the Guidelines on sound remuneration policies under IFD apply since the performance year 2022.

Scope of policy

The objective of this Policy is to establish, implement and maintain remuneration policies, procedures, and practices that – whilst being in line with the Remuneration Requirements – support the Company’s business objectives and corporate values, including promoting sound and effective risk management, by attracting, retaining, and motivating the key talent to achieve its objectives.

The Investment Firm Regime is applicable to Investment Firms as defined in Article 4(1)(1)1 of Directive 2014/65/EU. The directive identifies different classes of investment firms, based on their size, nature and complexity, and defines more onerous remuneration and governance requirements according to their classification, in alignment with the proportionality principle:

- Class 1 firms: systemic bank-like firms, subject to CRD-CRR requirements.
- Class 2 firms: all other investment firms, subject to remuneration requirements detailed in the Directive. Article 32(4) of the Directive makes a distinction between significant and non-significant firms, foreseeing a derogation to certain requirements for the latter group.
- Class 3 firms: small non-interconnected firms, not subject to any remuneration requirements.

In practice, every year at individual firm level, an internal assessment is performed to determine the category of the investment firm and therefore the applicable remuneration provisions. The analysis to date, subject to further analysis by the companies, leads to the following classification:

Identification of non-significant class 2 firms: entities which do not cross the threshold of EUR 100 million of their average on and off-balance sheet assets over the four-year period immediately preceding the given financial year. This threshold might be increased by the Member State up to EUR 300 million, as foreseen by Article 32(5) of IFD.

ACME is an Investment Firm considered non-significant class 2 firm considering that the Company is below the abovementioned threshold.

As a result, for the performance year 2024, taking into account the analysis to date, the Company won't be subject to the remuneration provisions for identified staff on deferral and payment in instrument and to the provisions relating to the Remuneration Committee requirement.

Objectives

This Policy applies to the Company's identified staff and covers all aspects of remuneration including salaries, bonuses, incentive plans, hiring and severance packages, pension arrangements, etc. The Company shall endeavour to avoid creating any incentive for employees to take any inappropriate risks and in general all remuneration-related decisions are approved by the Board.

The objectives of this Remuneration Policy are to:

- a) create a congruent system of determining the appropriate level of remuneration throughout the Company.
- b) encourage all staff to put clients' interests ahead of the Company's and their own, and to encourage Identified Staff to excel and to the best interest of the Company's clients avoiding conflict of interests where possible.
- c) align the performance of the business with the performance of Identified Staff within the Company and in line with the best interest of the clients.
- d) balance the qualitative and quantitative predetermined criteria when variable remuneration is awarded as part of the total remuneration to the Identified Staff.
- e) set fixed and variable components of total remuneration in a way that will be appropriately balanced and the fixed component to represent a such a proportion of the total remuneration as to allow the employee to discharge their family responsibilities to a level equivalent to a peer employed in a nonfinancial sector role bearing a similar burden of responsibility.

Identified Staff

This policy will apply to all *Identified Staff* within the Company who can have a material impact, directly or indirectly, on services and/or ancillary services provided by the Company or on its corporate behaviour regardless of the type of clients, to the extent that the remuneration of such persons and

related non-financial incentives may create a conflict of interest that encourages them to act against the interests of the clients.

All Investment Firms should apply the qualitative and quantitative criteria set out in the Directive and the EBA Regulatory Technical Standards.

The 'identified staff' definition process is performed and reviewed annually for each investment firm within the group. Typical roles of identified staff are represented in the following table:

Identification criteria	Designation
a) All members of Management body in its management of supervisory function and senior management	CEO; Executive Director; members of the Board of Directors
b) For investment firms with a total balance sheet $\geq$ EUR 100 million, staff members with managerial responsibility for business units that are providing at least one of the services that requires authorization under points 2-7 of Section A of MIFID Annex 1.	N/A (total balance sheet below EUR 100 million)
c) Staff members with managerial responsibility for the activities of a control function, the prevention of money laundering and terrorist financing	Risk Manager; Compliance Officer/MLRO
d) Staff responsible for managing material risks	CEO; Executive Directors; Risk Manager; Operations Manager
e) Staff members responsible for managing economic analysis; information technology; information security; outsourcing arrangements of critical or important functions	CEO; Operations Manager
f) Staff members with the authority for approving or vetoing new products	CEO; Executive Director
g) Staff members awarded, in the preceding financial year, with a total annual remuneration $\geq$ EUR 500 000 or the lowest total remuneration of a staff member identified by criteria a-b-e-f	N/A (no remuneration over the threshold of EUR 500,000)

Below mentioned individuals with the aforesaid designations will fall under the scope of this policy:

Name	Designation
Matthew Brittain	BOD / Investment Committee Mr Brittain does not receive remuneration paid by ACME for his roles in the Company.
Edward Collins	CEO BOD
Anabel Mifsud	BOD
Fexserv Fund Services Limited	Compliance Officer/MLRO Services
Fexserv Fund Services Limited	Company Secretary

Jesmar Halliday	Investment Manager
Chloe Thompson	Head of Platform and Investment Admin
Risk Manager	RMC Wise
Tied Agent Spain	Andrew Gibson
Tied Agent Ireland	Padraig O Riordan

All processes and procedures must meet the requirements of current employment legislation, Governance and diversity, equality & inclusion requirements. All processes and procedures will be equitable, fair and auditable. Employees will be treated with courtesy and respect throughout all processes.

All employees involved in the processes and procedures covered by this policy must consider whether their family and other personal relationships create any actual or potential conflicts. For further information please refer to the Conflict of Interest Policy.

Definition of Remuneration

For the purpose of this policy, 'remuneration' means all forms of financial or non-financial benefits or payments made by our firm (directly or indirectly) to individuals who provide investment services to our clients.

"Remuneration Bracket" would mean the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories.

Other staff that are considered risk takers whereby all staff members whose professional activities either individually or collectively can exert material influence on the risk profiles of the Company or of a CIS or Securitisation Vehicle Cell it manages. The Board approves the list of identified staff annually and individuals are notified of their identification and the implications of this status. It then takes into account the link between pay and performance for these individuals, which is based on a number of factors including but not limited to, the performance of the client, the overall results of the Company and the employee's commitment to the team.

Our firm's Remuneration and Incentive Schemes

Any remuneration package or incentive scheme the Company will have in place or may introduce in the future should be applied in compliance with the IFD and MFS Rules. Also, both the remuneration package or incentive scheme will not:

- Remunerate or assess performance of our staff in any way that conflicts with our duty to act in the best interest of our clients.
- Include any arrangement by way of remuneration, sales targets or otherwise, that could provide an incentive to our staff to recommend a particular product to a retail client where a different product could be offered that would better suit their needs.

- Create a conflict of interest that would encourages individuals to act against the interests of any of our clients.
- Be solely or predominately based on quantitative commercial criteria.
- Will ensure the fair treatment of our clients and the quality of service provided.
- Will take appropriate qualitative criteria into account.
- Maintain a balance between fixed and variable remuneration so the structure doesn't favour the Company or staff over those of our clients.

Remuneration Type	Pay Element	What It does	Key measures
Fixed	Base Salary	Provides competitive fixed pay.	Experience, seniority, education, job complexity, duties and scope of responsibility. Internal and external market factors.
Variable	Annual Cash Bonus	Provides a competitive annual cash incentive opportunity to motivate and reward high performers.	Based on annual financial results, individual conduct and performance as well as the company's and the Client's progress against long term strategy, strengthen long term customer relations and generate income and shareholder value to the Clients of the Company.

Due to the proportionality principal the Company does not adopt any deferral, equity measure. Guaranteed variable remuneration is granted only in exceptional cases to attract highly specialised individuals. In accordance with regulatory requirements such pay will be granted only in the case of hiring new staff and for a maximum period of one year.

Details of the approach to be adopted by the Company to remuneration include:

- Measuring the performance of individuals including both financial and non-financial metrics. Bonus schemes must include the quality of advice/service provided to the clients, not only the number of clients/ revenue generated for the company.
- The Company ensures that its remuneration policies are in line with its business strategy, objectives, values and long-term interests by being reviewed by the Board of Directors on an annual basis.
- Whenever a potential conflict of interest arises, the conflicts register is maintained which shall be reviewed by the Compliance Officer. The Compliance Officer also reviews remuneration policies ensuring that the conflicts are managed in a fair way.

Mr Matthew Brittain shall not receive any remuneration in respect of his services as director and/or member of the investment committee of the Company. Other members of the investment committee may receive remuneration for their services, but are not in receipt of performance based variable remuneration in respect of their involvements.

The other directors, Risk Manager, Compliance Officer, MLRO and Company Secretary shall receive fixed remuneration in respect of their services or employment agreement which is set at a level determined by the senior management of the Company, which is not performance related.

The Company has determined that the fixed remuneration payable to the directors, Risk Manager, Compliance Officer, MLRO and Company Secretary are:

- Consistent with sound and effective risk management and does not encourage risk-taking; and
- In line with the business strategy, objectives, values and interests of the Company. The nature of the remuneration of the directors, Risk Manager, Compliance Officer, MLRO and Company Secretary, being fixed and not including any variable component and being determined by the senior management of the Company ensures that the Company appropriately manages any conflicts of interest in respect of remuneration.

Remuneration Packages

The Company may introduce bonus schemes and/ or executive incentive schemes (e.g., Long Term Incentive Plans). Details of any such schemes will need to be included in the Remuneration Policy including, but not limited to: the scheme's purpose, intended participants, intended participants and the number of people currently participating in the scheme, performance measures and (in case of an executive scheme) the length of the scheme's performance period and whether a new performance period starts each year, overlapping the previous performance period; or whether the performance periods run end to end.

Governance of the Remuneration Policy

Due to the size of the Company, ACME is not required to set up a remuneration committee. The CEO, in consultation with the Compliance Officer shall implement the provisions of this remuneration policy on behalf of the Board. The Managing Director shall ensure that the overall remuneration system is:

- Operating as intended, specifically that all agreed incentives and remuneration pay-outs are appropriate and that the risk profile, long-term objectives of the Company are adequately reflected; and
- Compliant with the IFD, this Policy and the MFSA rules pertaining to remuneration provisions.

If there is a significant increase in the size of the organisation in its nature, scope and activities, the license holder shall establish a Remuneration Committee which shall be constituted in such a way as to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital and liquidity.

Senior Management Responsibilities

The Management body of the organisation shall approve the remuneration policy, after taking Advice from the Compliance Officer. Senior management of the organisation shall be responsible for the day to-day implementation of the remuneration policy and the monitoring of compliance risks related to the policy.

When designing remuneration policies and practices, a Regulated Person shall ensure that the ratio between the fixed and variable components of the remuneration is appropriate in order to consider the best interests of their Clients.

The remuneration policies and practices shall allow for the operation of a flexible policy on variable remuneration, including, where appropriate, the possibility to pay no variable remuneration at all.

Breaches and Clawbacks

Where an employee has breached any of the Company's procedures, has performed a material error, or where there has been a material failure or breaches of T&C, the variable remuneration may be reduced and may go down to zero. Other disciplinary measures may be adopted by the Company on a case by case basis. In addition, the Company shall apply clawback which is a method of achieving an ex-post risk adjustment on variable remuneration. Such clawback shall be applied in case of those employees that have committed fraud, market abuse, breaches to the Company's policies or dissemination of misleading information.

Disclosure of Remuneration Policies

The Company shall disclose information relating to the remuneration policies and practices for members of staff in terms of the applicable MFSA rules.

External Disclosure - In particular, the Company shall, on an annual basis, publish certain information on its remuneration policies and practices. This information will be disclosed in its annual report, through a separate remuneration policy statement, or in any other form that the Company deems appropriate.

Internal Disclosure - This Remuneration Policy shall be distributed to all categories of staff within the Company. All categories of staff should be informed in advance of other criteria that will be used to determine their remuneration that are not included in this Policy except for any confidential quantitative considerations.

SFDR Requirements

In line with the Company's ESG policy and in accordance with the requirements of the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) ("**SFDR**"), the Company is required to include in this Policy information on how the said policy is consistent with the integration of sustainability risks. 'Sustainability risks' are defined in the SFDR as any environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment ("**Sustainability Risks**").

As outlined in the section entitled '*Our firms Remuneration and Incentive Schemes*' above, all Identified Staff are remunerated with a fixed remuneration. In addition to the fixed remuneration, variable (performance-based) remuneration shall be paid to Identified Staff at the discretion of the Board of Directors following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria. Considering the limited impact of the variable remuneration on the Identified Staff and considering the nature of the business of the Company, the Company deems there to be no risk of misalignment with the integration of the Sustainability Risks, and believes that its existing structures are sufficient to prevent excessive risk-taking with respect to Sustainability Risks.

The Company may delegate some parts of its distribution activity to an approved sub-distributor. Even within this configuration, the Company's income is almost entirely derived from fee income generated through the provision of services. Employees identified as risk-takers have no direct bearing on the performance capabilities of the funds, and the performance of the funds does not impact the remuneration of those employees. Where the delegation takes place, the Company will ensure that the sub-distributor adopts remuneration policies and procedures which are consistent with the integration of Sustainability Risks. The Company will perform periodic oversight and seek confirmations from each sub-distributor that said remuneration policies and procedures are being followed, ensuring that their remuneration structures are not encouraging excessive risk-taking with respect to Sustainability Risks.

Reviewing this policy

This Policy shall be reviewed by the Compliance Officer on an ongoing basis at least on an annual basis and shall be presented for review and approval by the Board of Directors. 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 Board will assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration as set out in the MiFID II Directive.