



— A JTC GROUP COMPANY —

## Remuneration Policy

|                    |        |                |        |        |        |        |  |
|--------------------|--------|----------------|--------|--------|--------|--------|--|
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## 1. Background

In establishing its Remuneration Policy Ballybunion Capital Limited has had due regard to the following:

- (i) European Union (Alternative Investment Fund Managers) Regulations 2013 and the European Commission Delegated Regulation No 231/2013 (together the AIFM regulations)
- (ii) European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (UCITS regulation)
- (iii) ESMA Guidelines on Sound Remuneration Policies under AIFMD and UCITS directives
- (iv) Sustainable Finance Disclosure Regulation (SFDR)
- (v) AIF Rulebook published by the Central Bank of Ireland and all other AIFM regulatory requirements;

## 2. Definition of Remuneration

For the purpose of this policy remuneration includes:

- (i) all forms of payments or benefits paid by the AIFM,
- (ii) any amount paid by the AIF itself, including carried interest, and
- (iii) any transfer of units or shares of the AIF, in exchange for professional services rendered by the AIFM identified staff.

For the purpose of item (ii) of this paragraph, whenever payments, excluding reimbursements of costs and expenses, are made directly by the AIF to the AIFM for the benefit of the relevant categories of staff of the AIFM for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they should be considered remuneration for the purpose of the guidelines and Annex II to the AIFMD regulation.

All remuneration can be divided into:

- (i) Fixed remuneration (payments or benefits without consideration of any performance criteria) and
- (ii) Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, shares, options, cancellation of loans to staff members at dismissal, pension

contributions, remuneration by AIFs e.g., through carried interest models) or non (directly) monetary benefits (such as, discounts, fringe benefits or special allowances for car, mobile phone, etc.).

Ancillary payments or benefits that are part of a general, non-discretionary, firm-wide policy and pose no incentive effects in terms of risk assumption can be excluded from this definition of remuneration for the purposes of the AIFMD specific risk alignment remuneration requirements.

### 3. Identified Staff

The ESMA Guidelines on sound remuneration policies under the AIFMD defines *Identified Staff* to be

*‘those whose professional activities have a material impact on the AIFM’s risk profile or the risk profiles of the AIF that it manages’\**

\*See Appendix I for full definition

The *Identified Staff* of Ballybunion Capital Limited are:

- (i) Board Members
- (ii) Designated Persons
- (iii) Head of Compliance & AML
- (iv) Head of Risk
- (v) Head of Finance
- (vi) Portfolio Managers

Where Ballybunion Capital have delegated portfolio or risk management, identified staff will also include relevant staff at said delegate and shall be included in remuneration disclosure as required.

### 4. Remuneration Policy

Ballybunion Capital Ltd as AIFM charges each AIF a minimum fixed annual fee and does not charge any performance related or deferred fees nor will it acquire any carried interest, participating shares, or options in any AIF for which Ballybunion Capital Ltd is appointed as AIFM. Depending on the AIF there may be a variable element to the AIFM Fee.

The remuneration policy of Ballybunion Capital Limited is designed to:

- (i) promote sound and effective risk management
- (ii) not encourage risk taking that is inconsistent with the risk profile, rules, or investment policies of the funds under management

(iii) prevent conflicts of interest

The Company's parent company is JTC Group (JTC). Employees in Irish entities are contracted to JTC Corporate Services (Ireland) Ltd. Employees are 100% dedicated to their role within Ballybunion Capital and their costs are fully charged to the AIFM.

All Identified staff are paid a fixed component with the potential to receive a variable component in some cases as outlined below:

- (i) Where remuneration is performance related the total amount of remuneration is based on a combination of the assessment of the performance of the individual, the Company and of the JTC Group. When assessing individual performance, financial as well as non-financial criteria are taken into account.
- (ii) The assessment of performance is set in a longer-term multi-year framework in order to ensure that the assessment process is based on longer term performance;
- (iii) The Company does not pay guaranteed variable remuneration. It is discretionary and the Company can award no variable pay.
- (iv) Fixed remuneration represents a high proportion of total remuneration in all cases.
- (v) Payment and benefits are not subject to the performance of any AIF for which Ballybunion Capital Ltd is appointed as AIFM.
- (vi) All Identified Staff are prohibited from investing in any AIF for which Ballybunion Capital Ltd is appointed as AIFM, either for the benefit of their own personal account or for the benefit of any connected party

## 5. Proportionality

AIFMD allows the application of the proportionality principle as required for the Capital requirements Directive ("CRD") and the AIFMD in a way and to an extent that is appropriate to an AIFM's size, nature, internal organisation, scope, and complexity. On an exceptional basis proportionality may lead to the disapplication of certain requirements including:

- Formation of a remuneration committee
- The remuneration pay-out process

Ballybunion Capital Limited will not automatically trigger disapplication but shall internally assess on an annual basis whether the disapplication can be applied.

In assessing proportionality, Ballybunion Capital Limited will consider the following:

- Size

- AUM
- Number of staff
- Liabilities of Ballybunion Capital Limited
- Number of branches
- Risk appetite
- Listed status
- Where aggregate set of AIFs leads Ballybunion Capital Limited to become more complex or systemically important
- Nature Scope and complexity
- Authorisation in place
- Investment policies and strategies managed
- National or cross border/EU vs non-EU
- Management of multiple product types
- Identified staff
- Percentage of variable vs fixed remuneration
- Size of obligations they may undertake

### Assessment

In making its assessment, Ballybunion Capital Limited has given due regard to total AUM size, AUM of AIFs, number of AIFs being managed and the Company's current capital levels

The investment objectives and policies of the AIFs under management are set out in the AIFs' prospectuses and are not considered by the Board of Directors to be complex.

The Company has determined that the Executive Directors, the Chief Executive Officer, the Designated Persons, Head of Compliance & AML/CFT, Head of Finance, Head of Risk and the Portfolio Managers fall within the scope of the requirements. Variable remuneration is not subject to the performance of any AIF for which Ballybunion Capital Ltd is appointed as AIFM. Thus, Ballybunion Capital Limited's approach to remuneration removes any conflicts of interest.

Having considered the criteria set out in the section headed "Proportionality," and having regard to the ESMA AIFMD Remuneration Guidelines, the Board of Directors is satisfied that it may disapply the requirement to have a Remuneration Committee in place and may disapply the pay-out process in full.

## **6. SFDR**

As per Article 5 of SFDR, AIFMs are required to include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites.

As outlined above there is no impact of variable remuneration of the Identified Staff on the risk profile of the Funds. As the variable remuneration components are not based on the performance of the Funds, there is no risk of misalignment with the sustainability risks (if any) associated with the investment decision making process of the Company in respect of the Funds.

Where an investment manager has been appointed and sustainability risks are relevant to the investment process, the manager shall ensure that it adopts remuneration policies and procedures which are consistent with the integration of sustainability risks.

## **7. Policy Review**

The Remuneration Policy of Ballybunion Capital Limited is the responsibility of the Board of the Company and is subject to a formal annual review.

## Appendix I – Key Definitions

The following definitions are extracted from ESMA’s Guidelines on sound remuneration policies under the AIFMD.

*Note: these definitions are unchanged in the ESMA Consultation Paper – Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (23/7/15)*

**Identified Staff** categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM’s risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages.

**Control Functions** staff (other than senior management) responsible for risk management, compliance, internal audit, and similar functions within an AIFM (e.g., the CFO to the extent that he/she is responsible for the preparation of the financial statements).

**Remuneration Bracket** 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.

**Remuneration\*** all forms of payments or benefits paid by the AIFM, (ii) any amount paid by the AIF itself, including carried interest, and (iii) any transfer of units or shares of the AIF, in exchange for professional services rendered by the AIFM identified staff. For the purpose of item (ii) of this paragraph, whenever payments, excluding reimbursements of costs and expenses, are made directly by the AIF to the AIFM for the benefit of the relevant categories of staff of the AIFM for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they should be considered remuneration for the purpose of the guidelines and Annex II to the AIFMD.

All remuneration can be divided into either fixed remuneration (payments or benefits without consideration of any performance criteria) or variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria). Both components of remuneration (fixed and variable) may include monetary payments or

benefits (such as cash, shares, options, cancellation of loans to staff members at dismissal, pension contributions, remuneration by AIFs e.g., through carried interest models) or non (directly) monetary benefits (such as, discounts, fringe benefits or special allowances for car, mobile phone, etc.). Ancillary payments or benefits that are part of a general, non-discretionary, AIFM-wide policy and pose no incentive effects in terms of risk assumption can be excluded from this definition of remuneration for the purposes of the AIFMD specific risk alignment remuneration requirements.

*\*Solely for the purposes of the guidelines and Annex II to the AIFMD*