

# Remuneration Policy

**ANCILE (LUXEMBOURG) FUND S.A., SICAV-SIF**

(the “**Company**”)

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## 1. Introduction

This Remuneration Policy (the "**Policy**") sets out the principles, governance framework, and practices applied by Ancile Fund Sicav SIF S.A. (the "**Company**") regarding remuneration. It aims to promote sound and effective risk management, discourage excessive risk-taking, align the interests of the Company, its investors, and staff members, and ensure compliance with applicable laws and regulations, including the Alternative Investment Fund Managers Directive 2011/61/EU (the "**AIFMD**"), Commission Delegated Regulation (EU) No 231/2013, and related CSSF Circulars and Guidelines.

In line with regulatory expectations, this Policy also considers the integration of sustainability risks in remuneration practices to ensure alignment with the Company's broader environmental, social, and governance ("**ESG**") commitments, without establishing a separate objective solely dedicated to SFDR or any specific framework.

## 2. Objectives

The objectives of this Policy are to:

- Align remuneration practices with the Company's business strategy, risk profile, long-term interests, and sustainable growth;
- Avoid incentives that encourage excessive risk-taking or that are inconsistent with the risk profiles of the managed funds;
- Integrate sustainability risks into the assessment and determination of remuneration to promote responsible investment practices;
- Ensure consistency with the Company's obligations towards investors, including promoting sound corporate governance and transparency;
- Support an organizational culture that values ethical behaviour, regulatory compliance, and prudent risk management

## 3. Principles

The Company adheres to the following overarching remuneration principles:

- **Risk Alignment:** Remuneration structures reflect the Company's risk appetite and investment strategies.
- **Sustainability Risk Integration:** Remuneration policies are consistent with the integration of sustainability risks, promoting responsible decision-making.
- **Balanced Remuneration:** Fixed and variable remuneration components are appropriately balanced.
- **Gender Neutrality:** Remuneration is determined without bias based on gender or other discriminatory factors.
- **Proportionality:** The application of remuneration requirements considers the Company's size, internal organization, and the nature, scope, and complexity of its activities.

## 4. Regulatory Framework

This policy complies with the following laws and regulations:

- **AIFM Law** (GD Law of 13/07/2013), Article 12
- **AIFMD II** (Directive (EU) 2024/927)
- **Annex II of the AIFM Law**

- **CSSF Circular 10/437** – Guidelines concerning remuneration policies in the financial sector
- **CSSF Circular 18/698**, Section 5.5.9
- **ESMA Guidelines 2013/232** – Guidelines on sound remuneration policies under AIFMD
- **SFDR Regulation (EU) 2019/2088**, as amended by Regulation (EU) 2020/852 (Taxonomy Regulation)

## 5. Person under the scope

This remuneration policy (the “**remuneration Policy**”) applies to individuals in key roles within the Company, such as the governing body, senior management and control functions as well as members of staff whose activities have a material impact on the risk profile of the Company. This Policy also applies to staff members whose remuneration places them within the same compensation bracket as senior management.

Additionally, this Policy extends to staff members of delegates whose professional activities have a material impact on the risk profile of any Sub-Fund.

This Policy covers both fixed and variable compensation. Fixed remuneration is complemented by variable compensation, which may be in the form of a bonus or profit sharing. The goal is to maintain a balanced remuneration structure to discourage excessive risk-taking. References to this Policy will be incorporated into the contract of relevant staff members.

To ensure clarity and regulatory alignment, the following categories of individuals are specifically covered under this Policy:

### 5.1 The Board of Directors

- **Independent Directors:** the Company has 3 independent members of the Board. Their remuneration is fixed, and they are not eligible for performance-based bonuses.
- **Representative of the Delegated Investment Manager:** one board member represents the delegated investment manager and does not receive any remuneration or bonuses related to board duties.

### 5.2 The Senior Management

- **Senior Managers:** these individuals are responsible for the day-to-day management of the Company. They hold indefinite-term contracts (*Contrat de travail à durée indéterminée - CDI*) and receive both fixed and **performance-based variable remuneration**, which is determined based on the Company’s performance and individual contributions.

### 5.3 The Other Key Staff/ Identified Staff

Other Identified Staff refers to employees employed under an indefinite-term contract (*Contrat de travail à durée indéterminée - CDI*), who are eligible for **performance-based variable remuneration**.

## 5.4 Control Functions/ or Independent control functions (e.g., Risk Management, Compliance, Internal Audit).

- **Compliance, Risk Management:** The staff in these roles are not eligible for performance-based remuneration, ensuring their objectivity and independence.
- **Outsourced Internal Audit Function:** The internal audit function is performed by an independent third-party provider. Compensation for these services is not performance-based and is paid in the form of agreed professional fees under a service agreement.

## 5.5 Delegated Staff

The policy extends to staff members of any delegates whose activities impact the risk profile of any Sub-Fund. The Company ensures that the remuneration policies of delegates align with the principles of this policy.

# 6. Roles and Responsibilities

## 6.1 The Board of Directors:

- Approves, oversees, and annually reviews the Policy;
- Ensures that remuneration practices are aligned with sound risk management, the Company's business strategy, and ESG objectives;
- Oversees the implementation of the Policy without establishing a dedicated Remuneration Committee, following a proportionality assessment.

Indeed, given the company's size, complexity, and internal structure, a dedicated Remuneration Committee has not been established. Instead, remuneration decisions are made following a structured internal procedure: Individual performance assessments for all staff are conducted annually. Based on these assessments, the Senior Manager/Conducting Officer discusses remuneration recommendations with the Director of the group. These recommendations are subsequently presented to the Board of Directors, along with proposed budgets, for final review, approval, or adjustment. This structured approach ensures that all remuneration decisions remain fair, justified, reasonable, and aligned with the company's objectives and regulatory requirements.

## 6.2 Senior Management:

- Implements and monitors the Policy in daily operations;
- Ensures that sustainability risks and ESG considerations are incorporated into remuneration processes;
- Oversees the remuneration practices of delegated entities.

# 7. REMUNERATION STRUCTURE

The remuneration of staff is composed of both fixed and variable components:

## 7.1 Fixed Remuneration

Fixed remuneration is the main component of total compensation and includes:

- Annual salaries (for employees);
- Director fees (for Board members);

- Senior management fees;
- Fees for independent control function providers (e.g., internal audit).

Fixed remuneration reflects individual roles, responsibilities, skills, and experience, and is determined on a gender-neutral basis.

## 7.2 Variable remuneration

Variable remuneration, where awarded, is:

- Discretionary and based on performance against qualitative and quantitative criteria;
- Designed to reward both financial and non-financial achievements, including the integration of sustainability considerations;
- Structured to discourage excessive risk-taking, with a significant portion potentially deferred in line with the investment and risk cycle.

Currently, the Company does not pay regular variable remuneration. However, it reserves the right to grant discretionary ex gratia bonuses in exceptional circumstances.

Variable remuneration, if awarded:

- Must not exceed 40% of the average annual gross salary over the preceding three financial years;

Takes into account risk-adjusted performance, regulatory compliance, and ESG outcomes.

## 8. Performance Measurement

Performance assessments consider:

- Achievement of strategic business objectives;
- Effective management of financial and sustainability risks;
- Contribution to the Company's long-term growth and responsible investment goals;
- Compliance with regulatory standards, including ESG-related obligations.

Performance evaluation is not based solely on short-term financial metrics, but also integrates sustainability performance and responsible risk-taking.

## 9. Delegation arrangements

When delegating investment management or other material activities, the Company ensures that:

- Delegates apply remuneration policies that are consistent with the Company's principles;
- Delegates demonstrate the ability to integrate sustainability risks into their investment and risk management practices.

The Company may delegate certain investment management or risk management activities to third parties. In such cases, the following principles apply:

- A clear and documented description of the delegated functions and responsibilities must be maintained.

- The Company ensures that it retains sufficient resources, expertise, and decision-making capacity to supervise and monitor the delegate on an ongoing basis.
- Delegates must demonstrate sufficient expertise in sustainable finance topics, where applicable.
- An initial and periodic due diligence assessment is performed, covering operational, regulatory, and sustainability risk factors.

The Remuneration Policy principles extend to delegates where appropriate, especially in preventing excessive risk-taking and ensuring sustainability alignment.

## 10. Governance and Oversight

The Board of Directors:

- Conducts an annual independent review of the Policy;
- Documents and justifies remuneration decisions;
- Ensures no personal hedging strategies undermine risk alignment;
- Guarantees transparency of remuneration practices toward investors and regulators.

The application of the proportionality principle is reviewed regularly to ensure continued appropriateness.

## 11. Disclosure

The AIFM discloses a summary of its Remuneration Policy, including key elements and updates, through the following channels:

- The AIFM's annual report
- The AIFM's website: [www.ancilefundsicav.lu](http://www.ancilefundsicav.lu)
- Where applicable, pre-contractual documents

This summary includes:

- The principles and structure of the remuneration system
- The methodology used to calculate remuneration and benefits
- The link between performance and remuneration
- How the policy promotes sound and effective risk management
- The alignment of the policy with the integration of sustainability risks and the long-term interests of investors, in line with SFDR and AIFMD requirements

Where required, disclosures also include:

- Quantitative and qualitative remuneration data
- A breakdown by staff category (e.g. senior management, risk takers)
- The structure and amount of remuneration paid to delegates (where delegation arrangements are in place)
- Information on loan portfolios, if relevant, including criteria and characteristics

Internally, relevant staff members are informed of the structure and principles of their remuneration packages.

## **12. Review and Amendments**

The Remuneration Policy shall be reviewed at least annually.

In line with CSSF Supervisory Priorities, particular attention shall be paid to developments in sustainable finance regulations, and necessary amendments shall be made to ensure continuing alignment with ESG-related regulatory expectations.

Reviews shall be conducted by the Senior Managers/Conducting Officers and approved by the Board of Directors, with advice from compliance and risk functions where appropriate.

## **13. Gender Neutrality and Equality**

The Company is committed to ensuring gender-neutral and equitable remuneration practices. Remuneration decisions are consistently reviewed during the annual performance assessment and decision-making process to safeguard fairness and avoid any gender bias or discriminatory factors.