

Remuneration Policy

Waystone Asset Management (IE) Limited (“WAM”)

1. Introduction

The Firm has adopted this remuneration policy to ensure that Waystone Asset Management’s (“WAM” or the “firm”) arrangements for remunerating employees are fair while remaining aligned with the risk appetite and business objectives of the firm, and ensuring that remuneration arrangements are consistent with, and promote, effective risk management (including sustainability risk aspects) and do not expose WAM to excessive risks.

2. Entity Background

Waystone Asset Management (IE) Limited is regulated by the Central Bank of Ireland as a Investment Firm under Markets in Financial Instruments Directive 2014/65/EU and Markets in Financial Instruments Regulation 600/2014 (collectively referred to as “MiFID II”) and registered as a Commodity Trading Advisor (CTA), Commodity Pool Operator (CPO) and Introducing Broker with the National Futures Association (NFA)

3. Regulatory Requirements

This Policy is structured so as to minimise actual or potential conflicts of interest and ensure compliance with the conduct of business rules set out in the Markets in Financial Instruments Directive 2014/65/EU and Markets in Financial Instruments Regulation 600/2014 (collectively referred to as “MiFID II”). In addition, this Policy has been drafted to incorporate the requirements under the Guidelines on Remuneration Policies and Practices (MiFID) (“Guidelines”) published by the European Securities and Markets Authority on 11 June 2013; the Capital Requirements Directive (CRD IV Directive 2013/36/EU); and the European Union (Capital Requirements) Regulations 2014, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (collectively referred to as the “Rules”).

4. Purpose and Scope

The purpose of the remuneration policy are to ensure that the remuneration arrangements adopted by WAM:

- Reflect the firm’s objectives for good corporate governance;
- Minimise actual or potential conflicts of interest
- Ensure that compensation policies promote alignment of interest with the long term interests of WAM’s clients;
- Ensure that employees are being treated fairly and in accordance with industry best practices;
- Promote employee retention; and
- Comply with applicable regulatory requirements.

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5. Policy

This Policy focuses on ensuring sound and effective risk management through:

- A governance structure for setting goals and communicating these goals to employees;
- Including both financial and non-financial goals in each employee’s performance and result assessments; and
- Making fixed salaries the main remuneration component.

Remuneration Components

Remuneration of WAM employees comprises fixed remuneration and may include variable remuneration at the discretion of the firm:

- Fixed remuneration is the component of total remuneration specified in each employee's contract of employment and subsequent periodic salary reviews. The compensation package also comprises of certain fixed benefits, namely firm pension contributions, life and disability insurance, permanent health insurances and training and development benefits. Performance and appraisal reviews are undertaken twice per year and decisions on adjustment of the employee’s fixed salary, if any, are made on the basis of this continuing appraisal on a bi-annual basis.
- Variable remuneration – includes all discretionary elements of remuneration, which are proposed by the employee’s manager and reviewed and approved by the Managing Director. Bonuses are not guaranteed and are entirely at the discretion of the firm, taking into account the holistic employee performance assessment. WAM does not trade for its own account and does not take on credit risk in return for an expected reward. Therefore no variable remuneration will be attributable to the adoption of financial risk by any employee. Whilst the ability to pay discretionary remuneration is linked to the overall financial performance of the firm, each employee is assessed on their ability to perform their role and achieve a broad range of goals for growth and development on an annual basis.

Remuneration of the Board of Directors

Non-executive members of the Board of Directors receive a fixed fee. Members of the Board who are also employees of the firm or another entity in the Waystone Group have agreed to waive their fee entitlement for acting as a Director of WAM. Non-Executive Board members are not covered by incentive programmes and do not receive performance-based remuneration. The basic fee of a Non- Executive Board member is set at a level that is on par with the rest of the market, group benchmarks and reflects the qualifications and contribution required in view of the nature, scale and complexity of the Firm’s operations, the extent of the respective Board member’s responsibilities and the number of board meetings. No pension contributions are payable on Non-Executive Board members’ fees and all fees are paid directly to the individual and subject to local taxes. No fees are paid to Trusts.

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6. Error/Incident Escalation Process

Any incidents or breaches for be escalated in line with WAM's Error and Incidents Reporting Policy.

7. Record Keeping and Monitoring

WS maintains all records relating to this policy for a period of at least five years, in line with its Record Keeping Policy.

8. Disciplinary Action

Non-compliance with either the letter or spirit of Waystone policies may result in disciplinary action against an employee or employees, including, but not limited to: mandatory retraining, reduction in or loss of contingent employee benefits, and/or termination. The level of disciplinary action that may result is dependent on a number of factors, including: the severity of the event, whether the non-compliance was wilful or accidental, and the willingness of the relevant parties to engage in transparent and efficient escalation and correction of the matter.

It is the responsibility of all employees to remain aware of and follow WAM's Policies and Procedures, and to escalate any incidents of non-compliance to their relevant supervisor and/or Risk or Compliance as the second line of defence.

9. Policy Review Frequency and Ownership

Updates to this policy are the responsibility of the Head of Compliance.

As per the Waystone Group Policy on the Use of Policies and Procedures, all Policies of WAM are subject to at least annual review and approval by the Board of Directors.