

# REMUNERATION POLICY



Q U E K A

REAL PARTNERS

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## 0. Policy Approval and Review

APPROVAL		REVIEW	
Responsible Body:	Date:	Version:	Review:
Board of Directors	13/12/2023	01	

## 1. Introduction

The remuneration policy of QUEKA RP, S.G.E.I.C., S.A. (hereinafter “Queka” or the “Entity”) has been established with the need to provide the Entity with sound remuneration procedures that are compatible with adequate and effective risk management. Queka’s remuneration policy aligns the risks assumed by its staff with the private equity funds (hereinafter, “PEF”) and private equity companies (hereinafter, “PEC”) it manages, those of the investors in such PEFs and PECs, and those of the Entity itself. In particular, the remuneration policy duly considers the need to align risks in terms of risk management and risk exposure.

It should be noted that the Entity’s remuneration policy is adapted to the size, internal organisation, nature, scope and complexity of its activities.

Queka is a management company of closed-ended investment entities, authorised by the CNMV for the management, administration and marketing of PEFs and PECs and for the management of AIFs similar to ECF/EICC, EUVECA, EuSEF or ELTIF, established in the European Union.

This document identifies the general principles governing such policy, the objectives it pursues, and describes the main elements that form part of the remuneration of the Entity’s employees and managers, with special reference to identified staff.

### **1.1. Responsibility for Drafting, Approval, Maintenance and Update of the Procedure**

The body responsible for drafting and updating this procedure in accordance with current regulations is the Compliance Unit, which, for this purpose, collaborates with the other departments involved.

Queka’s Board of Directors is responsible for approving this Procedure and its successive updates.

The ultimate responsibility for the maintenance, ongoing update and proper compliance with this document lies with the Entity’s Board of Directors.

This is an open document and, therefore, will be updated and/or modified, at least, in the following cases:

- When legal or regulatory changes occur that affect the procedures described.

- When internal changes occur in the Entity that affect the procedures described.
- When, at the proposal of the Compliance Unit, the Board of Directors approves the inclusion of new controls or modifies existing ones.
- At the proposal of the heads of the various departments of the Entity, auditors, both internal and external, and inspectors of regulatory bodies.

The different versions of this document are recorded in the Change Control Table included at the beginning of this document.

### **1.2. Recipients of the Procedure**

This document is available to all employees and managers of the Entity on the common server. The Entity updates the published version whenever changes or modifications are made to this document and after its approval by the Entity's Board of Directors.

The Entity's employees must be permanently informed of any incidents that arise in connection with compliance with this document and shall report them to the Chairman or person designated by him, so that the necessary measures can be taken to correct them and, where appropriate, modifications to the implemented procedures may be proposed. In any case, they shall notify the Compliance Unit of any serious situations that have occurred before taking any measure to resolve them.

## **2. Applicable Regulations**

The reference regulations for defining this policy are as follows:

- Law 6/2023, of 17 March, on Securities Markets and Investment Services.
- Royal Decree-Law 14/2018, of 28 September, amending the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of 23 October.
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

- Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act.
- Law 35/2003, of 4 November, on Collective Investment Institutions.
- Law 22/2014, of 12 November, regulating private equity entities, other closed-ended investment entities and management companies of closed-ended collective investment entities.
- Royal Decree 1082/2012, of 13 July, approving the Implementing Regulation of Law 35/2003, of 4 November, on collective investment institutions.
- Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards in relation to qualitative and appropriate quantitative criteria for identifying staff categories whose professional activities have a material impact on an institution's risk profile.
- Guidelines on remuneration policies and practices under MiFID (ESMA/2013/606, of 3 June 2013).
- Guidelines on sound remuneration policies under AIFMD (ESMA/2013/232, of 3 July 2013, updated by Guidelines ESMA/2016/579, of 14 October 2016).
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

### **3. Concept of Remuneration**

Remuneration shall consist of one or more of the following components:

- All forms of payment or salary supplements paid by the Entity,
- Any amount paid by the managed PEFs and PECs themselves, including the profit participation (*Carried interest*) and
- Any transfer of units or shares of the PEFs and PECs, as consideration for the professional services provided by the Entity's identified staff.

Remuneration may be divided into:

- **Fixed remuneration:** payments or salary supplements to remunerate staff based on their duties performed, professional experience and responsibility assumed. It shall constitute a sufficiently high proportion of total remuneration so that the variable remuneration policy can be fully flexible. The individual level of fixed remuneration is the result of negotiations between the employee and the Entity, in line with the level of education, degree of responsibility, the Company's situation, the required knowledge and the employee's level of experience.
- **Variable remuneration:** additional payments or salary supplements based on the individual performance of the employee in question, the assessment of which shall take into account both financial and non-financial criteria, aimed at evaluating –in accordance with quantitative and qualitative criteria– the individual performance of the employee. It shall represent a balanced proportion of total remuneration, being flexible and not guaranteed, to such an extent that it may be possible not to pay variable remuneration.

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, shares, options, cancellation of employee loans upon dismissal, remuneration from PEFs and PECs) or non-(directly) monetary benefits (such as discounts, supplementary social benefits or allowances for car and mobile phone expenses, etc.).

The Entity is able to clearly identify and make the relevant distinctions in the treatment of:

- The portion of payment made by the PEF and PEC to identified staff representing a profit participation (*Carried interest*), for example, a percentage of the profits of the PEF and PEC obtained by employees as compensation for the management of the PEF and PEC, and
- The portion of payroll payments for annual fixed, variable and in-kind remuneration items.

A "retention bonus" is a form of variable remuneration that may only be permitted insofar as the risk alignment provisions have been correctly applied and is reflected in the participation in the *carried interest* of the staff assigned to the PEFs and PECs.

The Entity ensures that variable remuneration has not been paid through vehicles or other means used with the objective of artificially circumventing the provisions of the AIFMD and the Guidelines on sound remuneration policies under the AIFMD.

#### **4. Subjective Scope: “Identified Staff”**

The following categories of employees are included within identified staff:

- Members of the Governing Body (Chairman and Directors).
- Senior managers.
- Staff performing control functions.
- Staff responsible for investment management, administration, marketing and human resources.
- Other risk takers such as: staff members whose professional activities – whether individual or collective, as members of a group (for example, a business unit or part of a department)– can have a significant influence on the risk profile of the Entity or a PEF or PEC it manages, including those responsible for entering into contracts or taking on positions and making decisions that can significantly affect the risk positions of the Entity or the PEFs/PECs it manages.
- Employees who do not receive a high total remuneration, but who could have a significant impact on the risk profile of the Entity or the PECs/PEFs it manages, given the job position or the particular responsibilities exercised by such person.
- Other employees/persons whose total remuneration places them in the same remuneration bracket as senior managers and risk takers.

#### **5. Principles Governing the Staff Remuneration System**

Queka’s remuneration policy is based on the following general principles:

- It must avoid conflicts of interest and breaches of conduct standards.
- It must be compatible with the obligation of staff to act with honesty, fairness and professionalism, and in the best interests of clients.

- It must allow for adequate and effective risk management, without there being incentives that involve taking on risks beyond the level tolerated by the Entity.
- It must be compatible with the business strategy, objectives, values and interests of the Entity and the PEFs/PECs it manages, or the investors of the PEF/PEC, including measures to avoid conflicts of interest.
- Variable remuneration must be consistent with the maintenance of a sound capital base.
- Where remuneration is linked to performance, the total amount shall be based on an assessment combining the results of the individual and those of the business unit or the PEFs/PECs concerned and the overall results of the Entity. In the assessment of individual performance, both financial and non-financial criteria shall be taken into account.
- Performance assessment shall be carried out in a multi-year framework appropriate to the life cycle of the PEFs/PECs managed by the Entity, in order to ensure that the assessment process is based on longer-term results and that the actual payment of performance-based remuneration components extends over a period that takes into account the redemption policy of the PEFs/PECs it manages and their investment risks.
- Fixed and variable components shall be properly balanced.
- Fixed remuneration must be sufficiently high to remunerate the professional services rendered according to the level of education, the degree of seniority, the level of specialised knowledge and required qualifications, the constraints and work experience, the relevant business sector and region.
- The remuneration policy must be fully flexible with regard to variable remuneration, which means that not only will variable remuneration be reduced in the event of negative performance but it may also be reduced to zero in some cases.
- Variable remuneration must be linked to performance and adjusted for risk.
- Early termination payments shall be based on performance achieved over time and shall be designed so as not to reward poor performance.

- In measuring performance for the purpose of calculating variable remuneration components or pools of variable remuneration components, a comprehensive adjustment mechanism shall be included to incorporate all types of current and future risks.
- Variable remuneration, including the deferred portion, shall be paid or vested only if it is sustainable according to the overall financial situation of the Entity, and if it is justified according to the performance of the PEF/PEC business unit and of the person concerned.
- Total variable remuneration shall generally contract considerably when the Entity or the PEF/PEC achieves poor or negative financial performance, taking into account current remuneration and reductions in payments of previously earned amounts, including through malus or clawback provisions.
- Staff members shall undertake not to use personal risk hedging strategies or liability-related insurance in order to undermine the risk alignment effects embedded in their remuneration arrangements.

## **6. Remuneration Policy and its Relationship with the Integration of Sustainability Risks**

In compliance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, this Remuneration Policy shall at all times be consistent with the Entity's ESG Policy, with such risks being understood as events arising from environmental, social or corporate governance factors which, if they were to occur, could cause a negative impact on the value of an investment.

## **7. Corporate Governance of Remuneration**

Queka's General Shareholders' Meeting approves the overall remuneration of the members of the Board of Directors.

The Board of Directors is responsible for approving the Entity's remuneration policy.

Notwithstanding the above, all relevant functions within the company (i.e., risk management, Control Unit, administration, strategic planning, etc.) must have adequate involvement in the design, ongoing supervision and review of the Entity's remuneration policy.

The Chairman and the Chief Executive Officer set the aggregate remuneration amounts, both fixed and variable, in view of the evolution of the income statements and business figures of the firm, both at the individual and group level.

The Board of Directors confirms, in the annual approval of the business performance figures, the aforementioned aggregate remuneration amounts.

The risk management function assesses how the variable remuneration structure affects the risk profile of the Entity, including sustainability risk. The risk management function validates and evaluates risk adjustment data.

The Compliance Unit analyses how the remuneration structure affects compliance with the legislation, regulations and internal policies of the management company.

## **8. Remuneration Systems**

The general remuneration system comprises the essential criteria that define how the Entity compensates workers in accordance with the personal contribution each one makes to the achievement of the organisation's results, and which reflects the management philosophy and culture of the organisation.

### **Board of Directors**

The Board of Directors does not set its own remuneration. Decisions relating to the remuneration of the members of the Board of Directors are assigned to Queka's General Shareholders' Meeting, always following the criteria and principles set out in this document.

### **Entity Staff**

The current remuneration of the Entity's staff consists of a fixed salary and an annual variable salary based on set objectives.

## **9. Setting and Control Process**

The variable remuneration system based on objectives is aimed at achieving the best results from staff. Objectives must be clear and precise, achievable, motivating and quantifiable.

Objectives, according to their scope, are:

- Company-wide: they affect the Entity as a whole. They drive the achievement of the Entity's results and reinforce team spirit.
- Departmental: they affect the whole area to which one belongs. They reinforce the overall vision of the functional area, enabling shared objectives and strategies to be addressed.

Objectives according to their nature shall be:

- Quantitative: easy to measure and understand and affecting the immediate results of the business, such as net sales figures. For example, achievement of results, growth in balances, number of complaints, etc.
- Qualitative: they develop the employee's role and facilitate the long-term development of the Entity. For example, compliance with the company's internal regulations, customer satisfaction results, others deemed appropriate based on the position, etc.

Purpose of the Annual and Multi-year Variable Remuneration System:

- To maintain a certain level of personal commitment to the general objectives of the Entity, as well as to the specific objectives of the position.
- Clarity in the responsibilities and objectives to be achieved by the holder of the position, as well as in the priorities of such objectives.
- A tool for communication and motivation.
- To have an effective planning and control tool.

The amount of incentives received each year (based on qualitative and quantitative objectives) does not in any case imply the assumption of risks that exceed the level tolerated by the Entity and, in any case, are consistent with the maintenance of a sound capital base, on an individual and consolidated basis, pursuant to solvency regulations. That is, it will only be paid if it is sustainable in accordance with the overall situation of the Entity, justified on the basis of the results of both the Company and the employee.

The right to receive variable remuneration is earned ("granted") at the end of the accrual period or during the accrual period, the duration of which is at least one year, although it may be longer. Multi-year remuneration shall be linked to participation in

the *carried interest* of the investment vehicles managed by Queka of those persons so determined.

The Entity may apply specific criteria under which penalties would be applied. Such criteria shall include, for example:

- Evidence of misconduct or a serious error on the part of the employee (for example, a breach of the code of conduct, where applicable, and other internal regulations, especially those relating to risks).
- If the PEF/PEC and/or the Entity and/or the business unit subsequently experience a significant decline in their financial results (specific indicators must be used).
- If the PEF/PEC and/or the Entity and/or the business unit in which the employee works experiences a significant deficiency in risk management.
- Significant changes in the overall financial situation of the Entity.

Under no circumstance shall the explicit ex-post risk adjustment (for both cash and instruments) result in an increase in the deferred portion.

### **10. Monitoring and Control**

At least once a year, a central and independent internal assessment of the implementation of the remuneration policy shall be carried out, in order to verify whether the remuneration policies and procedures adopted by the Board of Directors in its supervisory capacity are being complied with.

Monitoring and control shall be carried out by the Compliance Unit.

Such central and independent reviews shall assess whether the general remuneration system:

- Functions as intended (in particular, that all agreed programmes and plans are covered; that remuneration payments are adequate; and that the risk profile, long-term objectives and the Entity's objectives are adequately reflected);

- Complies with national and international regulations, principles and standards.

When periodic reviews reveal that the remuneration system is not functioning as intended or established, the Board of Directors shall ensure that an appropriate plan is implemented to remedy this.

The periodic review of the implementation of remuneration policies and practices may be entrusted, partially or fully, to an external service when appropriate, in accordance with the proportionality principle. In accordance with proportionality, Queka may decide to outsource the entire review. In any case, those responsible for the supervisory function shall continue to be responsible for reviewing remuneration policies and practices and for ensuring that the results of the review are addressed.

The Board of Directors shall be informed of the results of the annual assessment carried out.

### **11. Disclosure and Transparency**

Queka's remuneration policy is accessible to all members of the Entity's staff.

Staff are informed in advance of the criteria that will be used to determine their remuneration. The assessment process is duly documented and accessible to each of the staff members concerned.

### **12. Update**

The update of this procedure is carried out by the Compliance department.

Furthermore, the Compliance Unit continuously monitors regulatory developments and any other circumstances that make a modification or update necessary, as they occur, and shall inform the Board of Directors thereof.