

Heptagon Capital LLP (403304)

1st January – 31st December 2025

Heptagon Capital LLP (the “Firm”) is committed to maintaining a remuneration policy that aligns with regulatory requirements, promotes fairness, transparency, and accountability, and supports the long-term interests of our stakeholders. Our remuneration policy is designed to attract, retain, and motivate talented individuals while ensuring that risk-taking behaviour is appropriately managed.

Please refer to the following contact details for inquiries regarding the Remuneration Policy Statement:

Robert Rosenberg
Partner/Chief Operating Officer
Telephone +44 20 7070 1800
robert.rosenberg@heptagon-capital.com

General information on variable remuneration schemes

In addition to a fixed base remuneration, all employees are part of the annual discretionary bonus scheme, which is based on the employee's performance and the company's financial performance. This means that an employee may be eligible to receive a bonus at the end of the year, but the amount will depend on their individual contributions and the overall success of the company. The fixed base and annual discretionary bonus schemes are used together to create a comprehensive remuneration policy for employees.

Remuneration policies and practices

The Firm advocates for a compensation policy and practices that are gender neutral. The Firm is committed to promoting equality and diversity in all aspects of remuneration, in line with the Equality Act 2010 and FCA expectations. Remuneration decisions are made irrespective of age, disability, gender, race, religion, or beliefs.

All employees are paid a fixed base remuneration. The amount is determined by the employee's job title, level of experience, and other relevant factors, irrespective of age, disability, gender, race, religion, or beliefs.

The Firm seeks to promote sound and effective risk management and discourages risk-taking that exceeds the level of risk tolerated by client mandates and the Firm itself.

As such the Firm ensures that its remuneration practices align with and are guided by long-term business model planning, fostering a positive and purposeful culture.

Moreover, its practices are aligned with the interests of and outcomes sought by its clients. As such, the firm maintains:

- Strong disclosure practices, which provide clients with the information necessary to determine whether to invest in a portfolio, monitor their investment and make a decisions as whether to redeem (their investment) based on the risk profile of the investment strategy.

- Comprehensive and independent risk management processes to measure, monitor, report and manage risk, including stress testing of the portfolio and liquidity risk management.
- Sound operational and regulatory systems and controls.
- A strong culture of compliance, sponsored by the governing body with specific practices to address conflicts of interest.
- An effective prudential regulatory reconciliation process which has updated the Firm's remuneration practices to ensure they are in-line with the UK IFPR rules which came into force on January 1st 2022.

Risk appetite

The remuneration policy is in line with the business strategy, objectives, values and long-term interests of the Firm and its clients.

The firm places significant emphasis on understanding and managing risks, including environmental, social, and governance (ESG) factors. By incorporating these considerations into the remuneration framework, the firm fosters a culture that prioritises responsible and sustainable investment practices.

Culture and values

Our firm's culture and values play a pivotal role in shaping our remuneration policies. We believe in promoting a positive and purposeful culture that not only complies with regulatory requirements but also reflects our commitment to ethical conduct and integrity. By aligning remuneration structures with our cultural values, we aim to reinforce a shared sense of responsibility and accountability among our team members.

The Firm and its senior management endeavour to create an environment which establishes visible leadership and a clear strategic purpose within a defined and tangible business model, inclusive of well-defined and communicated policies and procedures. Roles and responsibilities are clearly defined, supplemented by well-articulated standards of behaviour, which create an inclusive environment that encourages staff at all levels to contribute to and comment upon the success of (the firm's) culture and values without the necessity to take risks outside of the firm's risk appetite or to promote short-term personal gain.

Avoiding Conflicts of Interest

The Firm's Compliance Manual and separate policies establish a control environment that includes policies governing personal account dealing, outside business interests, gifts and entertainment, inducements, anti-bribery, and other conflict management techniques.

The Manual and separate policies include a conflicts of interest policy and process that considers actual and potential conflicts. This process requires the Firm to review potential conflicts of interest on a regular basis, including throughout the lifecycle of a client relationship. The firm's full Conflicts of Interest Policy can be referenced.

Responsible Business Conduct

The Firm seeks to ensure that remuneration practices reflect the firm's articulated purpose and positive culture.

- Compensation is based upon a balance of financial and non-financial measures, with all staff compensated based upon the performance of their role, function/business unit and the business as a whole
- Alignment of interest with clients and client outcomes
- Remuneration policy prohibits the use of personnel hedging techniques that may encourage or otherwise prevent staff from acting in the best interests of clients.

Governance and Oversight

The Founding Partners are responsible for setting, reviewing, and ratifying the compensation arrangements at the Firm. This review takes place on an annual basis for the firm and at the recruitment stage for new joiners.

The Founding Partners will consider input from the relevant heads of the business units to ensure that the firm is able to offer competitive compensation to attract and retain high-quality talent, further, with regard to variable compensation.

As an LLP, the Firm does not have directors, and Partners do not receive remuneration; instead, they share in the firm's profits. Arrangements regarding profit allocation are set, reviewed, and ratified by the board of the Corporate Member, Heptagon Capital Management Limited.

The FCA Remuneration Code and the UK Corporate Governance Code recommend the establishment of a Remuneration Committee for larger firms. However, given the Firm's size, nature, and complexity, and the fact that Partners do not receive remuneration but share in profits, the establishment of such a committee is not considered proportionate currently. The Founding Partners will review this position annually and document the rationale for not having a Remuneration Committee.

The Firm is subject to only the basic remuneration requirements and, as such is not required to establish a remuneration committee.

Review of the Remuneration Policy

The Firm's remuneration policy is reviewed annually to ensure ongoing compliance with FCA requirements and the principles of the UK Corporate Governance Code, where applicable. Any material changes to the policy or its implementation are documented and disclosed as required.

Control Functions

In accordance with the size and scale of the Firm, it has ensured that control functions are independent from the business units they oversee, have appropriate authority, and are remunerated sufficiently to attract qualified and experienced staff.

The Firm's Compliance Officer and Risk Officer is not involved in the 'investment side' of the business and operate completely independently in day-to-day roles and charged with the execution and oversight of policies, procedures and controls as approved by the Founding Partners. Further, the individual reports directly to the Founding Partners.

The control functions have sufficient resources in order that duties can be fulfilled with both independent challenge and oversight.

Everyone is assigned a clearly defined set of roles and responsibilities, encompassing those outlined within the Senior Managers and Certification Regime, along with statements of responsibility.

Compliance and Risk Function is directly involved in the design and setting of remuneration practices and awards.

Fixed and variable components of remuneration

Fixed compensation is set at the time of hiring and is composed of cash in the form of a regular salary.

Variable compensation is cash and awarded annually, following an annual performance review and is subject to discretion. Senior marketing staff may receive it semi-annually.

Balance of fixed and variable components of total remuneration

Fixed-based remuneration, i.e. salary, is agreed upon at the time of hiring and is in line with prevailing market conditions for the role and specific person, considering experience, skill set, and educational background. Salaries are reviewed at least annually; however, salary is considered when allocating any variable component of remuneration to ensure that everyone's total compensation is within the limits expressed in this policy.

In deciding everyone's total compensation, an appropriate balance between fixed and variable remuneration is considered. Therefore, due to the nature of performance, performance sets the proportion of remuneration on which it is based. Zero performance results in zero variable remuneration.

As an SNI firm subject to only the basic remuneration requirements, we have not elected to set a minimum and maximum performance percentages. Rather, the Firm understands and seeks to balance its risk-reward profile.

Remuneration and capital

Variable remuneration is only paid after the Firm has satisfied its capital resource requirements under MIFIDPRU and other applicable prudential obligations. The Founding Partners ensure that remuneration decisions do not compromise the Firm's financial stability or regulatory obligations. This includes considering direct and indirect risks to the Firm and stress and scenario testing and modelling based upon a multi-year timeframe, in accordance with the ICARA.

Assessment of performance

Individual performance is reviewed annually, and all staff awards are based upon the overall performance of the firm, its client portfolios, the relevant business unit, and the group, considering financial metrics, function performance, and individual contribution and compliance with the firm's core compliance risk policies.

The assessment includes consideration of the firm's business cycle, risk, and investment strategy so that compensation practices are aligned with the outcomes achieved.

The Firm ensures that non-financial criteria form a significant part of the appraisal process, which informs the allocation of bonus awards and, where necessary, will override any abiding financial performance achieved by the business overall.

The Firm ensures that non-financial criteria, including conduct, compliance, risk management, and alignment with the Firm's values, form a significant part of the appraisal process. Where necessary, non-financial criteria will override financial performance in determining variable remuneration awards.

The firm is mindful of the Equality Act and its fundamental provisions, which encompass the protected characteristics.