

Remuneration Policy – Vespa Capital LLP

Effective: 8th April 2025 | Reviewed: 8th April 2025

1. Introduction

Vespa Capital LLP (“the Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”) as a small authorised UK AIFM. This Remuneration Policy sets out the principles governing the Firm’s approach to remuneration and is aligned with the AIFM Remuneration Code (SYSC 19B).

The objectives of this Policy are to:

- Promote sound and effective risk management;
- Prevent remuneration arrangements that could encourage excessive or inappropriate risk-taking;
- Support the Firm’s strategy, long-term interests, and sustainability;
- Ensure compliance with applicable legal and regulatory requirements;
- Act equitably and non-discriminatory in accordance with the Equality Act 2010.

2. Proportionality

As a small private equity firm with a limited number of employees and relatively simple internal structure, Vespa Capital applies the principle of proportionality. Accordingly, it disapplies the more detailed remuneration requirements of SYSC 19B, including:

- Deferral of variable remuneration;
- Payment in non-cash instruments;
- Retention requirements; and
- The establishment of a separate remuneration committee.

These measures are deemed not appropriate to the Firm’s size, nature and low-risk profile.

3. Identified Staff

This Policy applies to “Identified Staff”, defined as those individuals whose professional activities may have a material impact on the Firm’s risk profile. This includes:

Managing Partners and senior management, Compliance, Risk and other control functions, as well as other staff as identified by the Firm’s internal assessments. A record of Identified Staff is maintained and reviewed periodically. All Identified Staff are Directory Persons in accordance with the FCA regulations.

4. Variable Remuneration

Remuneration comprises:

- **Fixed remuneration**, which reflects the role, responsibilities and experience of the individual;
- **Variable remuneration**, which includes discretionary bonuses and carried interest and is based on a combination of individual performance (financial and non-financial), team and



firm performance, as well as long-term investment outcomes, as well as ESG performance and contribution.

Variable remuneration is not directly tied to short-term financial metrics and is subject to appropriate risk and conduct considerations. Malus and clawback arrangements apply in cases of misconduct, material error or regulatory breach.

5. Alignment with Strategy and ESG

Remuneration practices are fully aligned with Vespa Capital's business strategy, long-term objectives, and ESG commitments. The Firm's structure promotes:

- Sustainable value creation across portfolio companies;
- Responsible ownership and good governance; and
- A culture of integrity, accountability and long-term thinking.

The policy reflects the Firm's risk appetite, including environmental, social, and governance (ESG) risk factors, and encourages investment decisions that consider their long-term effects.

6. Risk Management and Conduct

Vespa Capital's remuneration arrangements are designed to support sound risk management and discourage inappropriate risk-taking. Measures include:

- Independent remuneration for control functions;
- Consideration of behavioural and compliance factors in performance reviews;
- Controls to avoid conflicts of interest and promote ethical conduct.

Performance is assessed over appropriate timeframes to ensure that incentives are consistent with the Firm's risk profile.

7. Governance and Oversight

The Managing Partners are responsible for setting and monitoring remuneration arrangements. No individual may determine or influence their own remuneration. The Policy is reviewed annually and revised as needed in response to regulatory changes or material business developments.

8. Disclosure

The Firm complies with its disclosure obligations under SYSC 19B and the AIFMD, including making available remuneration information upon request to investors and regulators.