

## DG PARTNERS LLP

### AIFMD Remuneration Code Disclosure for year ended 31 December 2023

#### Introduction

DG Partners LLP (the “DG Partners” or the “Firm”) is authorised and regulated by the UK Financial Conduct Authority (the “FCA”) as an Alternative Investment Fund Manager (“AIFM”) and a Collective Portfolio Management Investment firm (“CPMI”). As an AIFM, DG Partners is subject to the rules set out in Article 13 of the Alternative Investment Fund Managers Directive (“AIFMD”), as implemented in the UK, and Chapter 19B of the FCA’s Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) (together, the “AIFM Remuneration Code”).

DG Partners has adopted a remuneration policy which aims to meet the requirements of the AIFM Remuneration Code by promoting sound and effective risk management and by not encouraging risk taking which is inconsistent with the risk profile of the alternative investment funds (“AIFs”) managed from time to time.

The AIFM Remuneration Code covers an individual’s total remuneration including both fixed and variable remuneration, and DG Partners incentivises staff through a combination of both.

In addition, as a CPMI firm, DG Partners also carries out designated investment business and is subject to the rules in SYSC 19G, known as the MIFIDPRU Remuneration Code. This document constitutes DG Partners’ remuneration disclosure under the AIFMD Remuneration Code (only) and the information set out herein is accurate as at 31 December 2023, which represents the Firm’s financial year-end.

#### Remuneration arrangements

DG Partners’ remuneration arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the Firm’s business strategy, objectives, values and long-term interests.

#### Application of remuneration requirements

DG Partners is required to disclose certain information on at least an annual basis regarding its remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Firm. DG Partners makes such disclosure in accordance with its size, internal organisation and the nature, scope and complexity of its activities. Further disclosures regarding remuneration are set out in the annual reports of each AIF managed by DG Partners.

#### Decision-making process

In view of the ‘principle of proportionality’ (discussed below) the Firm is not required to appoint a remuneration committee, however, in conformance with good practice the Board has appointed a “Remuneration Committee”, comprising the CIO and the COO, which meets at least annually and more

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frequently if required. The COO is also the CCO and General Counsel of the firm. The Remuneration Committee is responsible for determining all remuneration awards at the Firm and, generally, for ensuring that the Firm's remuneration policy is implemented in accordance with the requirements of the applicable remuneration code.

DG Partners' remuneration policy is reviewed at least annually, or following a significant change to the business requiring an update to its internal capital adequacy assessment. DG Partners' ability to pay bonuses is based on the overall performance of the Firm. The Board determines the amount of fixed and variable remuneration for all staff.

### **Link between pay and performance**

DG Partners' sets the variable remuneration of its staff in a manner which takes into account the performance of both staff (individually) and the Firm as a whole. The amount payable to individuals is determined by their contribution to the Firm's performance and is assessed by the Board in their sole discretion. Investment staff are not rewarded based upon the success of one or more specific transactions.

Staff members' individual performance is also determined on a non-financial metric. This performance assessment is based on a range of criteria on which each member of staff, when considering their job description and agreed targets, are assessed. Individual performance is not just based upon investment performance or contribution; it also includes factors such as their adherence to the Firm's compliance policies and risk limits. Violations of these policies / risk limits will be taken into account when determining variable remuneration and can have a negative impact on the amount of variable remuneration received. Staff performance is ultimately assessed by the Board and will take into account any goals set for the relevant member of staff. Compliance staff are remunerated independently of the business areas they oversee, in particular, any goals set for compliance staff relate to their performance rather than the performance of any specific business unit which they supervise.

### **Principle of proportionality**

The principle of proportionality is inherent within the AIFM Remuneration Code, and provides that a firm should apply the code in a manner and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

Following an assessment of the size, internal organisation and the nature, scope and complexity of the Firm and on the grounds of proportionality, the Firm is permitted to, and has decided to, disapply the following rules, (collectively known as the "Pay-out Process FCA Rules"):

- Retained units, shares/other instruments (SYSC 19B.1.17);
- Deferral (SYSC 19B.1.18); and
- Performance adjustment (SYSC 19B.1.19 and 19B.1.20).

### **Aggregate remuneration of Code Staff**

DG Partners only has one "business area", namely its investment management business. All of DG Partners Code Staff fall into one or more of the following categories for the purposes of the Remuneration Code:

- (i) Senior management of the Firm;
- (ii) Risk takers i.e. individuals who have a material impact on the risk profile of the Firm;
- (iii) Control functions i.e. staff, other than senior management, responsible for risk management, compliance, internal audit and similar functions within the Firm; and

- (iv) Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The "remuneration" awarded to DG Partners' Code Staff for the year ended 31 December 2023 was £578,855 which comprised £116,006 for senior management and £ 462,849 for other Code Staff.

### **Omission of disclosures**

In determining whether to disclose the aggregate remuneration of Code Staff, the Firm is permitted to take into account the provisions of the UK General Data Protection Regulation and the Data Protection Act 2018 regarding the protection of individuals in relation to the processing of personal data. However, DG Partners has made no omissions on the grounds of data protection.

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