

**Actis UK Advisers Limited ("Actis UK")**

**Disclosures of Remuneration Policy and Practices pursuant to MIFIDPRU 8.6**

**Qualitative disclosures**

*Approach to remuneration for all staff<sup>1</sup>*

- Actis UK is part of the wider Actis group ("Actis") which adopts an approach to remuneration of its staff<sup>2</sup> which is designed to support sound and effective risk management, encourage responsible business conduct, promote risk awareness and prudent risk taking, and contribute to a healthy culture at the firm, as well as being in line with Actis' business strategy, objectives and long-term interests, taking into account the nature, scale and complexity of the risks inherent in the relevant business model and activities.
- In particular, when approaching the remuneration of its staff, Actis considers: (i) risk appetite and strategy, including environmental, social and governance risk factors; (ii) culture and values; and (iii) the long-term effects of the investment decisions taken. Actis' approach to the remuneration of its staff seeks to avoid conflicts of interest.

*Objectives of financial incentives<sup>3</sup>*

- Actis awards both fixed and variable remuneration to its staff.
- Actis' objectives in setting the level of fixed remuneration are to reflect individuals' professional experiences and organisational responsibilities. Fixed remuneration paid by Actis is pre-determined, non-discretionary, non-revocable and is not dependent on performance.
- Actis' objectives in setting the level of variable remuneration are to reflect and incentivise the performance (including longer-term performance) of the individual and business unit concerned as well as the overall results of Actis.

*Decision making procedures and governance surrounding development of remuneration policies and practices<sup>4</sup>*

- Actis' remuneration policy, and its implementation, is subject to at least annual review by Actis, including by or on behalf of the Board of Actis UK.
- Actis UK does not consider that it is required to establish a remuneration committee on the basis of its size, internal organisation and the nature, scope and complexity of its activities. Notwithstanding this, Actis chooses to maintain a remuneration committee at group level, as part of its commitment to responsible remuneration practices.

---

<sup>1</sup> MIFIDPRU 8.6.2R(1)

<sup>2</sup> In accordance with SYSC 19G.1.24G "staff" of Actis UK comprises relevant partners and employees of Actis.

<sup>3</sup> MIFIDPRU 8.6.2R(2)

<sup>4</sup> MIFIDPRU 8.6.2R(3)

- The role of the remuneration committee includes determining the compensation of the Senior Partner. The Senior Partner is responsible (subject to consultation with the remuneration committee as applicable) for determining the compensation of the members of the governing body of the firm<sup>5</sup> ("Exco"). Remuneration decisions with respect to senior staff who are not members of Exco and all other staff are taken by Exco (subject to consultation with the remuneration committee as applicable).

*Types of staff identified as material risk takers<sup>6</sup>*

- Actis UK identifies as Material Risk Takers ("MRTs") the following types of staff: (i) the directors of Actis UK; (ii) the members of Exco; (iii) the General Counsel, (iv) the Chief Operations Officer; (v) the Money Laundering Reporting Officer; (vi) members of Actis' Investment Committees and Investment Approval Committees; and (vii) Actis' Head of the Investor Solutions Group.

*Key characteristics of remuneration policies and practices<sup>7</sup>:*

*Different components of remuneration, with categorisation as fixed or variable*

- Actis has two different primary remuneration structures, one of which applies to certain partners (potentially including some employees who are given the title of "Partner") and one which applies to its other staff.
- Certain partners receive: (i) a fixed draw against profits for the current accounting year, which is treated as fixed remuneration; and (ii) potentially a further share in the profits generated by Actis' business and, to the extent any such share is payable, it would be considered as variable remuneration.
- All other staff: (i) receive an annual salary, paid in monthly instalments, which is considered as fixed remuneration; and (ii) may also be awarded an annual discretionary bonus payment, which is considered as variable remuneration.
- In addition to these remuneration structures, both such partners and other staff may be allocated units in the carried interest schemes of Actis' funds. Such allocations are treated as variable remuneration for the purposes of the MIFIDPRU Remuneration Code.

*Summary of financial and non-financial performance criteria, broken down into criteria for the assessment of the firm, business units and individuals*

- Financial performance is assessed by reference to (and variable remuneration may be awarded based on) a combination of overall firm performance, the performance of particular funds and/or business areas and an individual's own contribution to such performance.

---

<sup>5</sup> From time to time the governing body of the firm may consist of more than one committee, the members of which are appointed by the Senior Partner.

<sup>6</sup> MIFIDPRU 8.6.4R

<sup>7</sup> MIFIDPRU 8.6.5R and 8.6.6R

- Non-financial performance is assessed based on criteria including (i) conduct (which makes up a substantial portion of the non-financial criteria); (ii) effective risk management and compliance with relevant regulatory requirements; (iii) the building and maintaining of positive customer relationships and outcomes (including positive customer/investor feedback); (iv) performance in line with Actis' strategy and values (e.g. leadership, teamwork or creativity); (v) adherence to Actis' risk management and compliance policies; and (vi) achieving targets relating to environmental, social and governance factors and diversity and inclusion.
- Staff engaged in control functions are assessed based on their achievement of objectives linked to their functions, independently of the performance of the business areas they control. Certain partners and other staff engaged in control functions are allocated carried interest in all Actis managed funds, with no weighting in favour of any particular business area/fund, to ensure independence from the performance of individual business areas.

*Framework and criteria used for ex ante and ex post risk adjustment of remuneration, including current and future risks identified by the firm, how the firm takes account of current and future risks when adjusting remuneration and how malus and clawback are applied*

- Actis' approach to ex ante risk adjustment is based on a rigorous assessment of performance, taking account of the financial and non-financial criteria set out above. Furthermore, a significant proportion of the "variable remuneration" awarded to senior staff tends to be in the form of carried interest awards, the value of which are dictated by the financial performance of the underlying fund and are therefore inherently subject to pre-vesting risk adjustment.
- Variable remuneration awarded to Actis UK's MRTs is subject to the application of performance adjustment. To the extent that any variable remuneration has not yet been paid to an MRT, then the award and subsequent payment of such variable remuneration may be reduced in whole or in part ("**Malus**"). To the extent that any variable remuneration has already been paid to an MRT, then the MRT may be required to repay some or all of the payment received ("**Clawback**").
- The events following which Actis UK may apply Malus or Clawback are: (i) an MRT participates in or is responsible for conduct which results in significant losses to Actis UK; (ii) an MRT fails to meet appropriate standards of fitness and propriety; (iii) there is reasonable evidence of misbehaviour or material error by an MRT; (iv) Actis UK or the relevant business unit in which an MRT is involved suffers a material downturn in its financial performance; and (v) Actis UK or the relevant business unit in which an MRT is involved suffers a material failure of risk management, in each case prior to the payment of variable remuneration in relation to Malus and prior to the date which is three (3) years following the date of award of variable remuneration in relation to Clawback.

*Policies and criteria applied for the award of guaranteed variable remuneration*

- Actis does not typically award guaranteed variable remuneration. If, on an exceptional basis, it is considered appropriate to award a guaranteed bonus or profit share, then relevant senior managers or partners as applicable will be consulted on such arrangements.

*Policies and criteria applied for the award of severance pay*

- Actis may from time to time reach agreement with a leaving member of staff under which such individual becomes entitled to a severance payment. Such payments are only offered consistent with market practice and where it is considered to be in the best interests of Actis (for example to ensure that Actis' business and confidential information is protected as far as possible, and thereby protecting the interests of investors in Actis' funds). Any such payment is designed to reflect the individual's performance over time and not to reward failure.

## Quantitative disclosures<sup>8</sup>

- Total number of material risk takers<sup>9</sup>: 29
- Remuneration awarded<sup>10</sup>:

	<b>Total amount of remuneration USD</b>	<b>Fixed remuneration USD</b>	<b>Variable remuneration USD</b>
<b>Senior management</b>	3,656,935	2,263,730	1,393,205
<b>Other MRTs</b>	14,511,678	10,072,032	4,439,646
<b>Other staff</b>	19,909,442	14,078,692	5,830,750

- Guarantees and severance payments<sup>11</sup>:

	<b>Senior management</b>	<b>Other MRTs</b>
<b>Guaranteed variable remuneration</b>		
Awarded during year (USD)	<b>0</b>	<b>763,335</b>
Number of recipients	<b>0</b>	<b>3</b>
<b>Severance payments</b>		
Awarded during year (USD)	<b>0</b>	<b>0</b>
Number of recipients	<b>0</b>	<b>0</b>
Highest severance payment	<b>0</b>	<b>0</b>

<sup>8</sup> The individuals included in the quantitative disclosure calculations are (as at 31 December 2022) or were (during the financial year ended 31 December 2022) Senior Management or Other MRTs

<sup>9</sup> MIFIDPRU 8.6.8R(3)

<sup>10</sup> MIFIDPRU 8.6.8R(4)

<sup>11</sup> MIFIDPRU 8.6.8R(5)