CORUM BUTLER

CORUM Butler Asset Management Limited

Remuneration Policy

Version 3.0

24 March 2022

Version	Date	Comment
1.0	31 July 2019	Board Approval
2.0	10 June 2020	Annual review
2.1	8 March 2021	Implementation of the Disclosure Regulation
3.0	24 March 2022	Annual review

1 INTRODUCTION

The Company is authorised by the Central Bank of Ireland (the "**Central Bank**") as:

(a) a UCITS management company pursuant to the UCITS Regulations, and

(b) an alternative investment fund manager ("**AIFM**") under Part 2 of the AIFMD Regulations.

Article 13 of AIFMD (transposed into Irish law pursuant to Regulation 14 of the AIFMD Regulations) and Article 14a of the UCITS Directive[1] (as updated by UCITS V[2] and transposed into Irish law pursuant to Regulation 24A of the UCITS Regulations), requires, inter alia, all authorised AIFMs and UCITS management companies to have remuneration policies and practices that are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each fund it manages.

The purpose of this remuneration policy (the "**Remuneration Policy**") is to provide a clear direction and policy regarding the Company's remuneration policies and practices consistent with the principles in the Applicable Regulation.

This document forms the written element of the remuneration policy for the Company. This supplements and should be read in conjunction with, the Company's regulatory framework documentation, in particular its Programme of Activity (including UCITS Business Plan) (the "**Regulatory Manual**").

The board of directors of the Company (the "**Board**") recognise the important role played by sound risk management in protecting its stakeholders. Moreover, the Board acknowledges that inappropriate remuneration structures could, in certain circumstances, result in situations whereby individuals assume more risk on the relevant institution's behalf than they would have done had they not been remunerated in this way.

In addition to ensuring that this Remuneration Policy aligns the risk taking behaviour of staff with the Company's risk appetite, the remuneration policy is designed to ensure that the Company is able to attract, retain and motivate highly qualified staff in order to produce long-term value creation for shareholders.

In preparing this Remuneration Policy, the Company has taken into account the nature, scale and complexity of its business. In determining the range of activities to be undertaken by the Company, the Company has given due consideration to the number of Funds (as defined below), the type of investments, the investment strategies, the investment location, the

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[1] Directive 2009/65/EC

[2] Directive 2013/14/EU

distribution model and the investor base of its Funds. Due consideration has also been given to the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf.

2 APPLICABLE REGULATION AND INTERPRETATION

For the purposes of this Remuneration Policy, the following legislative/regulatory references are of particular note:

"**AIF Rulebook**" means the Central Bank's rulebook in relation to AIFMD;

"**AIFMD**" means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU);

"**AIFMD Level 2**" means Commission Delegated Regulation (EU) No. 231/2013;

"**AIFMD Regulations**" means the European Union (Alternative Investment Fund Managers Directive) Regulations (S.I. No. 257 of 2013);

"**Applicable Regulation**" means (a) where the Company has been appointed as an AIFM collectively the AIF Rulebook, AIFMD, AIFMD Level 2 and the AIFMD Regulations, as appropriate; and (b) where the Company has been appointed as UCITS management company collectively the UCITS Directive, the UCITS Regulations, and the Central Bank UCITS Regulations, as appropriate;

"Central Bank UCITS Regulations" means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015;

"**Disclosure Regulation**" means the EU Sustainable Finance Disclosure Regulation (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,

"Fund" means any funds for which the Company has been appointed as a UCITS management company or AIFM;

"**Guidelines**" means ESMA's Guidelines on sound remuneration policies under (a) the AIFMD (ESMA/2016/579); and (b) the UCITS Directive (ESMA/2016/575), as applicable;

"UCITS Directive" means Directive 2009/65/EC as amended by Directive 2014/91/EU ("**UCITS V**"); and

"UCITS Regulations" means European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended and as may be further amended, consolidated or substituted from time to time.

All other stated defined terms used in this Remuneration Policy shall have the same meaning as in the Company's Regulatory Manual.

In relation to various aspects of this Remuneration Policy where there is any perceived ambiguity or lack of clarity in the Applicable Regulation and/or the applicable Guidelines, the Company will have regard to any published guidance on the relevant point by ESMA, the Central Bank or in the absence of any such published guidance that of the UK Financial Conduct Authority or any other EU national competent authority, if appropriate.

The Company confirms that it has reviewed and understands all regulatory requirements applicable to its Remuneration Policy set out in the Applicable Regulation and has addressed these requirements in this Remuneration Policy and/or materials referenced herein.

3 SCOPE OF REMUNERATION

Remuneration consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Company, in exchange for professional services rendered by staff. This shall include where appropriate:

(i) all forms of payments or benefits paid by the Company;

(ii) any amount paid by the Funds including carried interest / portion of performance fees; and/or

(iii) any transfer of units or shares of any Funds;

in exchange for professional services rendered by the Identified Staff.

For the purpose of item (ii) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by the Funds to the Company for the benefit of the relevant categories of Identified Staff for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this Remuneration Policy.

Fixed remuneration means payments or benefits without consideration of any performance criteria.

Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria.

4 IDENTIFIED STAFF

The provisions of this Remuneration Policy apply only to "**Identified Staff**" which is defined as follows in the Guidelines:

> *"categories of staff, including senior management, risk takers, Control Functions [as defined below] and any employee receiving total remuneration that takes them into the [same] remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the [AIFM's/UCITS management company's] risk profile or the risk profiles of the [AIF/UCITS] that it manages and categories of staff of the entity(ies) to which [portfolio management or risk management activities/investment management activities] have been delegated by the [AIFM/UCITS management company], whose professional activities have a material impact on the risk profiles of the [AIF/UCITS] that the [AIFM/UCITS management company] manages."*

For the above purposes, "**Control Functions**" means:

> *"staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within an [AIFM/UCITS management company] (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)."*

For the above purposes, "**remuneration bracket**" means:

> *"the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories."*

Specifically for the Company, Identified Staff members may fall into one or more of the following categories:

- directors;
- senior management;
- staff responsible for Control Functions;
- staff responsible for heading the investment management, administration, marketing, human resources;
- other risk takers – being staff members who acting individually or as part of a group can materially influence the Company's risk profile; and
- staff whose remuneration takes them into the same bracket as senior managers and risk takers but who don't fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of the a Fund or the Company.

A list of the Company's Identified Staff is appended herewith (at Schedule 1). It should be noted that the inclusions of persons in Schedule 1 shall relate specifically to their role within the Company or the relevant Fund and their remuneration (if any) received directly by the Company and shall not affect any remuneration such persons may otherwise receive from entities connected with the Company, delegates of the Company or otherwise.

Any new staff will be considered for inclusion on this list when they are hired or if their role changes. It will be the responsibility of the Chairman of the Board in consultation with the relevant advisers to make recommendations to the Board to include new staff on this list. The list will be reviewed by the Board on an annual basis.

5 REMUNERATION PROCESS AND PRINCIPLES

5.1 Variable remuneration

Variable remuneration is an important tool to incentivise staff. It also gives the Company flexibility such that, in years where the Company performs poorly, variable remuneration may be reduced or eliminated and the capital of the Company can be preserved. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as employees may be incentivised to keep taking risk to maintain or increase their variable remuneration.

In deciding the mix between fixed and variable remuneration, the Company is mindful of the need to ensure that the basic pay of staff is adequate to remunerate the professional services rendered taking into account, inter alia, the level of education, the degree of seniority, the level and expertise and skills required. The Company is a UCITS Manco and AIFM and its revenues are based on a percentage of the value of securities held in the Fund portfolios and its revenues may be more volatile than other types of businesses. The Company may also be paid expenses and other revenue from the Funds. Variable remuneration allows the Company to reduce the risk that its capital base is eroded due to the need to pay fixed remuneration cost should trading revenues decline. Owing to the nature of the contracts it enters into with its Identified Staff, it is considered appropriate that the ratio of variable pay to fixed pay is relatively low but will be kept under review.

5.2 Remuneration process

Following the finalisation of the annual financial statements and during the first quarter of each financial year in respect of the Company, the Company shall decide what, if any, variable remuneration to award staff.

The factors that are taken into account in deciding the quantum of the variable remuneration are as follows:

- the profit that the Company and the group made during the previous year;
- for revenue producing roles, the risk and resource adjusted profit or loss in comparison to the expected profit or loss in addition to the achievement of any specific objectives;
- the resources that were consumed (for example IT, capital, legal and compliance resources);
- for non-revenue producing roles, achievement against objectives and whether the individual exceeded what was expected of them during the year;
- for all roles, compliance by the individual with all relevant compliance and risk requirements and other firm policies and procedures;
- for all roles, the achievement of objectives which are set during the annual review process and updated during the year;

- whether the individual helped to develop new businesses, improved processes, worked in a collegial way and assisted in the training, education and mentoring of other employees; and
- other factors as may be determined from time to time by the Board.

5.3 Remuneration principles – in compliance with AIFMD and UCITS Directive requirements

It is primarily the responsibility of the Company to assess its own characteristics and to develop and implement remuneration policies and practices, which appropriately align the risks faced and provide adequate and effective incentives to its Identified Staff.

When establishing and applying the total remuneration, inclusive of salaries and discretionary pension benefits for Identified Staff, the Company shall comply with the following principles in a way and to the extent that is appropriate taking into account its size, internal organisation and the nature, scope and complexity of its activities:

(a) Identified Staff engaged in Control Functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control in order to avoid any conflict of interest;

(b) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or Fund concerned and of the overall results of the Company, and when assessing individual performance, financial as well as non-financial criteria are taken into account;

(c) the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIF/holding period recommended to the investors of the UCITS managed by the Company in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the redemption policy of the AIF and their investment risks or the same period for a UCITS;

(d) guaranteed variable remuneration is exceptional and occurs only in the context of hiring new staff and is limited to the first year of engagement;

(e) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component;

(f) payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;

(g) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

(h) subject to the legal structure of the Funds and its rules or instruments of incorporation, a substantial portion, and in any event at least 50% of any variable remuneration component consists of units or shares of the Fund concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments (with equally effective incentives as any of the instruments referred to in this point (h) in respect of any UCITS managed by the Company), unless the management of the Funds' accounts for less than 50% of the total portfolio managed by the Company, in which case the minimum of 50% does not apply;

(i) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the Fund concerned and is correctly aligned with the nature of the risks of the Fund in question. The period referred to in this paragraph shall be at least three years for UCITS and at least three to five years for AIFs unless the life cycle of the AIF concerned is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred;

(j) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the Fund and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company or of the Fund concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;

(k) the pension policy is in line with the business strategy, objectives, values and long-term interests of the Company and the Funds it manages. If the employee leaves the Company before retirement, discretionary pension benefits shall be held by the Company for a period of five years in the form of instruments defined in point (h). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (h) above, subject to a five year retention period;

(l) Identified Staff are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements; and

(m) variable remuneration may not be paid through vehicles or methods that facilitate the avoidance of the requirements of the Applicable Regulations.

5.4 Remuneration principles – in compliance with the EU Sustainable Finance Disclosure Regulation

The Company complies with the Disclosure Regulation and the Remuneration Policy is consistent with the integration of sustainability risks. The Remuneration Policy of the Company does not encourage excessive risk-taking with respect to sustainability risks.

6 SCOPE OF THE REMUNERATION POLICY AND APPLICATION OF THE PRINCIPLES

The Company has appointed a Board of Directors and three additional employees who are appointed as Designated Persons to the Management Company. The Board and persons who carry out pre-approved control functions will not receive any additional fixed or variable remuneration in connection with their work as Board members. Pursuant to the written agreement governing each Director's appointment, each Director is paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the Company, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The fee payable to each Director is reviewed from time to time, based on the evolution of the Company's activities and the aggregate fees payable are disclosed in the annual report of the Company. The Directors do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. The Directors do not consider that a performance-related or deferred payment element is appropriate for the Company at this time, consistent with the limited scale and complexity of the Company's activities. Mr Puzin, Ms. Godo and Mr Butler are not entitled to any fees in their capacity as directors of the Company or designated persons.

The principles outlined in section 5.3(j) and (k) respectively may be disapplied in respect of the Company, if it is proportionate to do so.

6.1 Delegates

The Company has the facility to appoint delegates to carry out portfolio management or risk management activities on its behalf in accordance with its delegation policy.

In accordance with the Guidelines, the Company will ensure that affected delegates are subject to a standard derived from regulatory requirements on remuneration that are "equally as effective" as those applicable under the applicable Guidelines or that appropriate contractual agreements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements.

Subject to the foregoing, with regards to remuneration practices at the delegates of the Company, the Company will ensure that the Remuneration Policy covers, where appropriate, categories of staff at affected delegates that are involved in the provision of delegated portfolio management or risk management activities, where such activities have a material impact on the risk profile of the relevant Fund.

It is noted that in certain confined circumstances it may be determined that the scope of the mandate granted to a particular delegate is such that no staff of the delegate will constitute Identified Staff for the purposes of this Remuneration Policy, i.e. have the capacity to carry out their professional activities under the delegation arrangement in a manner which could have a material impact on the risk profile of the relevant Fund or Funds. This could be the case where the Company retains a sufficient degree of control and supervision over the activities of the delegate and restricts the discretionary nature of their activities (for example, through the application of detailed contractual restrictions set by the Company which tightly constrain how the delegate may discharge its delegated functions).

Delegation to the Investment Manager

The Company delegates aspects of its investment management functions (including portfolio and risk management activities) to Butler Investment Managers (the "**BIM**") under the terms of an agreement entered into between the parties.

BIM is authorised and regulated by the Financial Conduct Authority (the "**FCA**") and, as such, it is subject to the FCA's rules on remuneration. These are contained in the FCA's Remuneration Code located in the SYSC (Senior Management Arrangements, Systems and Controls) Sourcebook of the FCA's Handbook. BIM is required to establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management.

This policy covers all aspects of remuneration and is subject to the general organisation requirements under the relevant competent authority's systems and controls requirements. Remuneration of all BIM personnel, including the senior officers in risk management and compliance functions, is directly overseen by its governing body.

The Board has determined that the FCA rules applied to Butler and the AMF rules applied to Corum constitute "equally as effective" regulatory requirements on remuneration.

6.2 Proportionality

AIFs

The principles outlined in section 5.3(h) and (i) respectively may be disapplied in respect of the Company or any applicable delegates, if it is proportionate to do so. In accordance with the Guidelines, the Company will perform an assessment for each of the remuneration requirements that may be disapplied and determine whether proportionality allows them not to apply each individual requirement.

In assessing what is proportionate, both in respect of the Company itself and in relation to any relevant delegates, the Company will have regard to the provisions contained in the Guidelines and will focus on the combination of all the criteria mentioned therein (i.e. (i) size, (ii) internal organisation and (iii) the nature, scope and complexity of the activities). In addition, it is noted that this is not an exhaustive list and therefore there may also be other relevant criteria.

In respect of the Company itself, as no variable remuneration is paid by the Company to its Identified Staff, as at the date of this Remuneration Policy, the Board finds that it is not necessary to consider further the proportionality provisions as it will not wish to disapply the principles outlined in section 5.3(h) and (i) to the Company's Identified Staff.

However, the Company reserves the right, where appropriate, to determine (in conjunction with the applicable delegate) that, given the size, internal organisation and nature, scope and complexity of the delegate's business, it may be appropriate to disapply the principles outlined in section 5.3(h) and (i). Factors that the Board may consider in arriving at such a conclusion may include the size of the delegate's balance sheet, the proportionate value of AIF assets managed relative to non-AIF assets managed (and resultant AIF/non-AIF revenue generated) and therefore whether the AIF assets managed by the relevant delegate are not "*potentially systemically important (e.g. in terms of total assets under management)*"3.

UCITS

Regulation 24B(1) of the UCITS Regulations states that UCITS management companies shall comply with the UCITS remuneration principles "*in a manner and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities.*"

While it is noted that the Guidelines do not expressly provide for the disapplication of certain UCITS remuneration principles on the grounds of proportionality, this is not expressly prohibited either. Indeed, ESMA indicated, in a letter to the European Commission on this issue[4], that

> *"there might be cases where the application of the payout process rules to the staff of the delegate would not be proportionate and would not achieve the outcome of aligning the delegates' staff interests with those of the investors in the UCITS."*

In the absence of further guidance or legal clarification from the European Commission, ESMA or the Central Bank, it is noted by the Company that an applicable delegate may determine to disapply the principles outlined in sections 5.3(h) and (i) respectively on the grounds of proportionality - based on the proportionality criteria outlined in the Guidelines on (i) size, (ii) internal organisation and (iii) nature, scope and complexity of the relevant delegate's business.

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[3] Paragraph 29 of the ESMA Guidelines; guidance on the "size" criteria for proportionality purposes.

[4] https://www.esma.europa.eu/sites/default/files/library/2016-412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf

Factors that the relevant delegate may consider in arriving at such a conclusion may include the size of the delegate's balance sheet, the proportionate value of UCITS assets managed relative to non-UCITS assets managed (and resultant UCITS/non-UCITS revenue generated) and therefore whether the UCITS assets managed by the relevant delegate are not "*potentially systemically important (e.g. in terms of total assets under management)*"[5].

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

In respect of the Company itself, the Board finds that it is not necessary to consider further the proportionality provisions as it will not wish to disapply the principles outlined in section 5.3(h) and (i) to the Company's Identified Staff.

7 ABSENCE OF A REMUNERATION COMMITTEE

It is noted that the requirement for the Company to establish a remuneration committee (pursuant to the Applicable Regulations) applies to AIFMs and UCITS management companies "*that are significant in terms of their size or the size of the Funds they manage, their internal organisation and the nature, the scope and the complexity of their activities.*"

Having assessed the requirements outlined in the Applicable Regulation and the Guidelines, the Company has determined that it is not "significant" with respect to its internal organisation and therefore shall not have a remuneration committee.

8 BOARD OVERSIGHT AND UPDATES TO THIS REMUNERATION POLICY

The Board will be responsible for the oversight of compliance with this Remuneration Policy. It will review and update the Remuneration Policy at least annually or when it is required or deemed necessary and will ensure that it is operating as intended. It will also review the Remuneration Policy to ensure that it continues to be compliant with applicable national and international regulations, principles and standards. Material changes to this Remuneration Policy will be approved by the Board.

[5] Paragraph 25 of the Guidelines; guidance on the "size" criteria for proportionality purposes.

CORUM BUTLER

SCHEDULE 1

Identified Staff List

Name	**Reason for inclusion**
Delphine Godo	Director and Money Laundering Reporting Officer
Karen Nolan	Director and Chairman
Frederic Puzin	Director
Walter Butler	Director
David Mc Glynn	COO and Designated Person
Fiona Allen	Head of Legal International