CONFIDENTIAL

Equitile Remuneration Policy
August 2016

1. INTRODUCTION & OVERVIEW TO EQUITILE

Equitile Investments Ltd ("Equitile") is authorised and regulated by the Financial Conduct Authority and is a company incorporated in England (Company Number 09459099) with registered office at Bridge House, London SE1 9QR.

This Policy covers Equitile as a stand-alone unconsolidated authorised and regulated €125k UCITS Management Company. Equitile manages an Authorised Contractual Scheme which follows a UCITS strategy ('the Fund'). The performance year runs from 1 January to 31 December.

The fund invests in companies across a range of jurisdictions including the UK. Investments are made on a medium to long-term time horizon and Equitile Remuneration policy ("Policy") is designed to support this strategy and time horizon .

2. REMUNERATION POLICY OVERVIEW

The remuneration policy aims to serve both Equitile and its investors' best interests by:

- Promoting good corporate governance
- Discouraging excessive risk taking (outside of those defined in the prospectus)
- Retaining and recruiting high quality staff
- Delivering and demonstrating alignment of interests between Equitile and its investors

The aim is to manage employees' total compensation appropriately by applying the right mix of the different remuneration types. Any remuneration is paid competitively based on market-based remuneration according to employees' skills, experience, performance and responsibilities.

Equitile remuneration policy is designed to promote sound and effective risk management and does not encourage risk taking that exceeds the firm's conservative risk appetite. This is done by ensuring that remuneration is in line with performance and in adherence to UCITS investment rules.

In order to achieve this, the performance of all staff will be reviewed annually by the Board and remuneration determined as appropriate. This will take into account contributions to business development, client service and team contribution, compliance, risk management, profitability and the competitive environment within which Equitile operates. The board will set any profit-based compensation as appropriate taking into account business costs, investment needs and regulator capital requirement.

The policy is subject to annual review by the Board of Directors ("the Board").

3. REMUNERATION REVIEW PROCESS & GOVERNANCE

The Board is responsible for ensuring that remuneration decisions properly reflect the importance of delivering the standards and requirements set in respect of Equitile risk management process. The overall pool available for incentive remuneration, which includes the control functions, is correlated to business performance.

Talent retention is critical to Equitile ability to achieve excellence and deliver the outcomes Equitile investors expect. Equitile approach to remuneration needs to provide the opportunity for reward that is competitive in the market in which we operate, in order to attract and retain key talent. Deferral of appropriate and meaningful proportions of variable pay is aimed to ensure effective and ongoing alignment with Equitile investors and long-term business objectives.

a. IDENTIFIED STAFF

Equitile has identified the members of staff who fall within the definition of “Identified Staff”. The term “Identified Staff” is broadly defined in the ESMA’s draft “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” (2015/ESMA/1172) (the “ESMA draft Guidelines”) and includes:

- senior management
- risk takers
- control functions
- employees whose professional activities have a material impact on the Company’s risk profile; and
- staff of the entity to which portfolio and/or risk management activities have been delegated by the Company, whose professional activities have a material impact on the risk profile of the Company.

Equitile has identified the following staff who have material impact on Equitile risk profile –

- Andrew McNally - Chief Executive Officer
- George Cooper – Chief Investment Officer
- Nigel Hellewell – Chief Operating Officer, Compliance & Oversight Officer and Money Laundering Reporting Officer
- Thor Johan Furuholmen – Director
- Xiyang He - Director

4. BASE SALARY

The basic element to Equitile remuneration policy is the salary for employees. The Company is committed to ensuring that:

- salaries remain competitive within the labour market, by conducting an annual pay review and benchmarking salaries against other employers
- salary adjustments consider individual performance
- individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed-term contract. Employees are paid at the level of at least the national minimum wage
- each employee’s salary is sufficient so that they should not need to rely on a bonus

5. VARIABLE REMUNERATION

Where so agreed by the Board, taking into account Equitile overall performance including profitability and overall achievement of business objectives, employees will be eligible for a discretionary variable remuneration. Any variable pay-out will be linked to the results of year-end appraisals reflecting employees' performance of their role, as well as, overall achievement of objectives. Performance variable remuneration will be in cash or a mixture of cash and deferred cash.

a. REWARD MECHANISM

Where agreed by the board variable remuneration will have a minimum of 40% withheld for a period of no less than 3 years. Payment of the withheld component of the remuneration will be at the discretion of the Equitile senior management.

In addition, an Individual may be granted a lower or no variable remuneration should they be the subject of possible disciplinary actions. These include the breach of any of the Equitile Operational or Compliance procedures and include, but not limited to the following;

- Active breaches of the Personal Account ("PA") dealing rules as defined in the Compliance Manual.
- Active breach of fund's investment restrictions
- A persistent failure to follow procedures, address outstanding actions, or respond to Compliance requests, and persistent passive breaches of any investment restrictions.
- Failure to complete in a timely manner compliance disclosures and compliance training

The deferred elements of any variable remuneration i.e. the 40% of payments will be reviewed annually by the board as part of the annual remuneration review. In accordance to applicable rules and regulations, Equitile may apply ex-post risk adjustments by reserving the right to withhold and/or demand full or partial repayment from individuals who have been awarded variable remuneration under the following circumstances;

- Fraudulent conduct of staff member;
- Misleading information or evidence of serious error by the staff member (e.g. breach of code of conduct, and other internal rules especially concerning risks)
- Business unit subsequently suffers a significant downturn in its financial performance, and/or a significant failure of risk management.

b. REVIEW & SUPERVISION

The Board acts as the supervisory body overseeing the policy and procedures as well as providing the final approval of remuneration proposals for the employees.

The Board which includes Equitile Risk Committee is in charge of making sure the remuneration policy is compliant with regulatory requirements, and for ensuring the implementation of the Remuneration Policy. The Board may enlist the services of external advisors to ensure Equitile policy continues to be in line with all applicable directives, laws and regulations. The Board also approves remuneration policy changes and ensures remuneration proposals of identified staff and employees are within the remuneration framework.

c. **PROPORTIONALITY**

Taking into account FCA guidance on proportionality, Equitile size, structure, the lack of derivatives and leverage within the portfolio the Board of Directors may dis-apply the remuneration committee requirement. The Board is satisfied that this disapplication is reconcilable with the risk profile, risk appetite and the strategy of the Company.

d. **PAY OUT PROCESS**

Taking into account FCA guidance on proportionality, Equitile size, structure, the lack of derivatives and leverage within the portfolio the Board of Directors may dis-apply the "pay-out process rules" as set out in the UCITS V Directive.

6. PENSION AND OTHER BENEFITS

Equitile currently does not offer a Defined Benefit Pension Scheme to Directors or staff; however this addition of this benefit is currently being investigated with a view to being implemented.

7. TERMINATION PAYMENTS

Any payment made in association with the early termination of an employee's contract of employment, will be designed in a way that will not reward failure. Equitile is not obliged under the contracts of employment to make any payment to the departing employee, where it chooses to make such a payment, the payment will reflect performance achieved over time. This policy applies to all employees, but does not form part of any employee's contract of employment.

8. FIRST ANNUAL PERFORMANCE PERIOD

The first annual performance period in which the Fund has to comply with Articles 14a and 14b of the UCITS Directive is the year ending 2017.

9. FINANCIAL STATEMENTS

The audited UCITs annual report will disclose the details of remuneration paid.