# PROVENANCE SICAV P.L.C.

## Remuneration Policy

**3rd November 2016**

# UCITS V REMUNERATION POLICY

**POLICY OVERVIEW**

In accordance with UCITS V, Provenance SICAV plc (the "Company"), as a self- managed UCITS must put in place remuneration policies and practices that:

- are consistent with and promote sound and effective risk management of the UCITS;
- do not encourage risk-taking which is inconsistent with the risk profiles or fund rules governing the relevant UCITS; and
- do not impair compliance with the UCITS Manager's duty to act in the best interest of the UCITS.

In addition, the remuneration policies and practices must respect a number of stipulated principles, set out in Article 14(b) of UCITS V, dealing with, amongst other things, governance, pay structure and risk alignment (the "Principles").

This Remuneration Policy (the "Policy") sets out how the Company meets the above requirements and complies with the Principles.

**SCOPE**

1. The Policy must cover all staff whose professional activities have a material impact on the risk profile of the UCITS Manager or of the UCITS it manages at either fund or sub-fund level ("Identified Staff"). As a self-managed UCITS, the Company is the UCITS Manager and therefore has categorised the Directors and Investment Committee Members as Identified Staff.
2. The Company also applies the Policy in a proportionate manner to any third party which takes investment decisions that affect the risk profile of the UCITS because of functions delegated to it.
3. The remuneration requirements apply to all remuneration paid by the UCITS Manager. Remuneration covers both fixed and variable pay, early termination payments and pension payments. It also covers performance fees as well as non-cash benefits, such as share options.
4. Pursuant to the proportionality principle in UCITS V, the Company has applied the Principles in a way and to an extent that is proportionate to its size, internal organisation and the nature, scope and complexity of its activities.
5. UCITS V requires the UCITS Manager's non-executive board members to adopt the remuneration policy; review at least annually the general principles of the remuneration policy; and take responsibility for and oversee their implementation.
6. The remuneration policy's implementation will be subject, at least annually, to a central and independent review for compliance with the remuneration policies and procedures adopted by the UCITS Manager.
7. Under UCITS V, details of the remuneration policy will be included in the prospectus, the KIID and the annual report. The prospectus must include either details of the remuneration policy itself, or a summary of that policy and a statement that the details of the policy are available free of charge upon request. The KIID must include a statement to the same effect.
8. The annual report will disclose the aggregate remuneration paid by the Company to Identified Staff, together with the number of beneficiaries and, where relevant, performance fees paid

by the UCITS. The aggregate amount of remuneration will be broken down by category of employees or other staff members.

9. The annual report must also describe how the remuneration and benefits have been calculated, detail the outcomes of the periodic reviews of the remuneration policy and its implementation and contain any material changes to the adopted remuneration policy.
10. The requirement in UCITS V to pay at least 50% of variable remuneration in non-cash instruments only applies where the management of a UCITS accounts for more than 50% of the total portfolio managed by the UCITS Manager. This does not apply for the Company which is self-managed and there is no variable remuneration.

**REMUNERATION DISCLOSURE**

1. As a self-managed UCITS, the Company is the appointed UCITS Manager. The Company has a Board of Directors but the Company does not employ any staff, although Directors and Officers do act on behalf of the Company.

2. The Directors primary role is to ensure that all decisions related to the Company and its assets under management are taken in the best interests of investors.

3. The Company pays the Independent Non-Executive Directors a fixed fee per annum. This fee is not related to the performance of the UCITS. No pension payments are made. A number of factors are included in determining the fee paid including the size and risk profile of the funds under management and the current market rate for Directorships of this nature.

4. There are no Executive Directors or employees (unless Independent Non-Executive Directors) that do not receive any compensation from the Company.

5. The Company sets a fund framework (setting of the investment objective, the investment policies, the proposed investment strategies and investment limits including leverage, liquidity and credit) that achieves a necessary level of risk control over the delegate investment manager. This framework and the ongoing controls exercised by the Company ensure that no persons from the delegate investment manager have the capacity to exercise a material impact on the risk profile of the UCITS.

6. The Company seeks annual assurances from the delegate investment manager that they have an appropriate risk management focused remuneration policy in place or one that is in line with regulation which is equally effective as UCITS V, which includes, without limitation:
    (i) CRD/MiFID firms (including firms still subject to CRD III and which have availed of the CRD IV exemptions) and
    (ii) non-EU firms which are subject to group remuneration policies that is equally as effective as MiFID or CRD.

7. This policy is reviewed and agreed annually by the Board of Directors.