

PCP SELECTION UCITS PLC
(an umbrella fund with segregated liability between sub-funds)
(the “Company”)

REMUNERATION POLICY

Last reviewed and updated on 4 March 2021

1. Introduction and Purpose

The Company has adopted this remuneration policy in order to meet the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”) in a way and to the extent that is appropriate to the Company’s size, internal organisation and the nature, scope and complexity of its activities. This policy has been adopted following the finalisation of ESMA’s Guidelines on Sound Remuneration Policies under the UCITS V Directive and AIFMD (the “ESMA Guidelines”).

The purpose of this policy is to describe the remuneration principles and practices within the Company and for such principles and practices:

- (a) to be consistent with, and promote, sound and effective risk management;
- (b) to be in line with the business strategy, objectives, values and interests of the Company;
- (c) not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the Company (each, a “Fund”);
- (d) to be consistent, to the extent relevant in the case of a particular Fund or Funds, with the Company’s approach to managing sustainability risk as detailed in the prospectus of the Company;
- (e) to provide a framework for remuneration to attract, motivate and retain staff (including directors and designated persons) to which the policy applies in order to achieve the objectives of the Company; and
- (f) to ensure that any relevant conflicts of interest can be managed appropriately at all times.

2. Application

This policy applies to staff whose professional activities have a material impact on the risk profile of the Company or of the Funds and so covers: (i) senior management; (ii) risk takers¹; (iii) control functions²; and (iv) any employees receiving total remuneration that takes them into the same

¹ The Remuneration Guidelines refer in this context to “[s]taff responsible for heading the investment management, administration, marketing, human resources” and “staff members, whose professional activities – either individually or collectively, as members of a group (e.g., a unit or part of a department) – can exert material influence on the management company’s risk profile or on a UCITS it manages, including persons capable of entering into contracts/positions and taking decisions that materially affect the risk positions of the management company or of a UCITS it manages. Such staff can include, for instance, sales persons, individual traders and specific trading desks.”

² “Control functions” refers to staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within a management company.

remuneration bracket³ as senior management and risk takers, whose professional activities have a material impact on the risk profile of the Company. The Company currently does not have any employees and the only personnel of the Company are the members of the Company's management body (i.e., the board of directors (each, a "Director" and collectively, the "Board") and the designated persons (each, a "Designated Person") who are seconded to the Company from a third party service provider. The latter service provider receives a fixed annual fee for providing the services of the Designated Persons. The Designated Persons do not receive either fixed or variable remuneration from the Company and are compensated by the third party service provider in accordance with its own remuneration arrangements. All members of the Board are non-executive Directors. This policy applies to the Directors who receive remuneration from the Company, namely, those Directors who are not affiliated with the investment manager of the Funds, Progressive Capital Partners Ltd. (the "Investment Manager") (the "Independent Directors"), the Designated Persons, and the Directors who do not receive remuneration from the Company due to their affiliation with the Investment Manager.

3. Governance

UCITS management companies and self-managed investment companies that are significant in terms of their size or of the size of the funds they manage, their internal organisation and the nature, the scope and the complexity of their activities are required to establish a remuneration committee. In view of the limited size of the Funds, the non-complex nature of the Company's internal structure and its activities, it is not considered appropriate for the Company to establish a remuneration committee. In particular, the Company has taken account of the following circumstances prevailing as of the date of this document:

- the assets under management of the Company do not exceed EUR 1.25 billion;
- the expected assets under management of the Company and the Funds for the coming 12-month period;
- the Company has no employees;
- the Company and its Funds are not listed;
- the Funds engage in a limited number of investment strategies; and
- the Company is self-managed and does not act as an alternative investment fund manager under Directive 2011/61/EU ("AIFMD") or provide the services mentioned under Article 6(3) of the UCITS Directive.

Accordingly, the Company is considered to be a non-complex, small scale UCITS self-managed investment company. The Board is responsible for the remuneration policy of the Company and for determining the remuneration of the Directors and the Designated Persons. The Board is comprised of non-executive Directors only. The Board has adopted this policy and periodically reviews (at least annually) the general principles of this policy and is responsible for, and oversees, its implementation in line with the UCITS Regulations. The Board considers that its members have appropriate expertise in risk management and remuneration to perform this review. Where a periodic review reveals that the remuneration system does not operate as intended or prescribed, the Board shall ensure that a timely remedial plan is put in place.

³ "Remuneration bracket" refers to 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.

4. **Alignment of remuneration and risk-taking**

(a) *Fixed Fee*

The Independent Directors receive a fixed annual fee which is competitive and based on the individual Director's powers, tasks, expertise and responsibilities including, without limitation:

- (i) chairmanship of the Board or of Board sub-committees;
- (ii) membership of Board sub-committees;
- (iii) designated person functions; and
- (iv) performing the role of the "organisational effectiveness" director as required by the Central Bank, where applicable.

A Director's performance is subject to annual review by the Board.

For the services provided by the Designated Persons, the Company pays fixed annual fees to an external service provider under the relevant service level agreements, as described in section 2 above.

(b) *Variable Remuneration*

The Independent Directors receive fixed remuneration only. It is not considered appropriate that any Directors or Designated Persons receive variable remuneration from the Company. As a result, the pay-out process rules in the UCITS Regulations applicable to variable remuneration do not apply to the remuneration paid to staff of the Company.

(c) *Expenses*

The Directors and the Designated Persons will be reimbursed all reasonable, validly incurred, duly authorised and documented business expenses.

(d) *Other Benefits*

The Company does not propose to provide benefits to the Directors or Designated Persons other than those referred to in this policy.

(e) *Pension*

The Directors and Designated Persons are not entitled to pension contributions or other benefits from the Company in respect of their role as Directors or Designated Persons, as applicable.

(f) *Notice of termination and severance pay*

The maximum notice period for the termination of any Director's or Designated Person's appointment shall be determined by the relevant letter of engagement. Subject to the terms of that engagement letter, a Director's or Designated Person's fee will continue to be paid during the relevant notice period. No severance payments are made.

(g) *Integration of sustainability risks*

The EU Sustainable Finance Disclosure Regulation (2019/2088) ("SFDR") requires the Company to include in this remuneration policy information on how this policy is

consistent with the integration of sustainability risks. Sustainability risk means “an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment”. The same information (or a summary of it) must be published on the Company’s website.

The Company is for these purposes a "financial market participant". Accordingly, sustainability risks are risks which, if they were to crystallise, would cause a material negative impact on the value of the investments made by the Funds.

Remuneration paid to the Independent Directors is currently comprised of a fixed fee as described in section 4(a) above and the Designated Persons and the other Directors currently do not receive either fixed or variable remuneration due to the fee arrangement in place with the third party service provider or their affiliation with the Investment Manager, as applicable, as described in section 2 above. If this position were to change, the Company may determine, at its discretion, to pay Directors or other staff a combination of fixed and variable remuneration (including bonus). The variable component of remuneration which may be paid would be discretionary and dependent on the performance of the individual and the Funds in accordance with this remuneration policy. Compliance with all the Company's policies and procedures, including, to the extent relevant in the case of a particular Fund or Funds, policies and procedures relating to the impact of sustainability risks on the investment decision-making process, may be taken into account as part of that overall assessment.

(h) *Conflicts of Interest*

To the extent that the Company in the future retains any staff engaged in control functions (i.e., staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions), in order to address any conflict of interest such staff shall be compensated in accordance with the achievement of the objectives linked to their control functions, independent of the performance of the business area to which the control functions relate.

A Director or Designated Person may undertake external activities with or without compensation and/or inducements that might lead to a conflict of interest with the Company or the Funds provided the conflict of interest is identified, monitored and managed in accordance with the terms of the relevant letter of appointment, the Company’s conflicts of interest policy and the UCITS Regulations.

Any staff that may be engaged by the Company 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 subject to this policy.

The Company has also adopted a connected person transaction policy in accordance with the requirements of the Central Bank.

5. **Application of Remuneration Rules to Delegates**

The Company has delegated the investment management function to the Investment Manager and so the Company must ensure that:

- (a) the Investment Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
- (b) appropriate contractual arrangements are put in place with the Investment Manager in order to ensure that there is no circumvention of the remuneration rules set out in the

ESMA Guidelines. These contractual arrangements should cover any payments made to the Investment Manager's identified staff as compensation for the performance of investment management activities on behalf of the Company.

6. Deviation from the Policy

The Board may deviate from this policy. However, in such a case, the relevant payments must comply with the UCITS Regulations and the ESMA Guidelines (to the extent applicable) and in addition, the Board shall approve any payments made in advance.