

## **Orchard Funds plc**

(the "Company")

### **Remuneration Policy (the "Policy")**

The Company is authorised by the Central Bank of Ireland (the "Central Bank") as a self-managed UCITS investment company.

The purpose of this Policy is to describe the remuneration practices of the Company in relation to its identified staff, namely the non-executive directors of the Company (the "Directors") who are also the designated persons responsible for the managerial functions identified in the Company's UCITS Business Plan. The Company's board of Directors (the "Board") has established this Policy with the aim of ensuring that it is consistent with and promotes sound and effective risk management and does not encourage risk taking that is inconsistent with the risk profile and Articles of Association of the Company.

The total net assets of the Company as at 31 December 2017 was € 77,804,417

#### **Identified Staff**

The categories of staff, including senior management, risk takers and control functions whose professional activities may have a material impact on the risk profile of the Company are identified in the Schedule to this Policy (the "Identified Staff").

As at the date of this Policy, the only Identified Staff are the Directors.

#### **Types of Remuneration**

This Policy applies to all forms of payments or benefits paid by the Company to the Identified Staff in exchange for professional services. Such forms of payment or benefit may include:

1. Fixed remuneration (payments or benefits without reference to performance); and
2. Variable remuneration (additional payments dependent on performance or other contractual criteria).

The Company currently only pays the directors (namely Mr Gary Brennan, Mr Tom Finlay and Mr Ian Abrams) fixed remuneration and does not pay any variable remuneration.

Directors who are also employees within the Orchard Group, (namely Mr Richard Harwood and Miss Claire Southam), do not receive any remuneration from the Company, whether fixed or variable.

#### **Remuneration Policy**

The Company's policy is to pay the relevant Identified Staff fixed remuneration only with no variable component being paid.

#### **Disclosure**

The Company will comply with the remuneration-related disclosure requirements set out in:

- (a) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level and as further amended from time to time (the "UCITS Directive");
- (b) the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (SI No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, (SI No. 143 of

2016) and as may be further modified, amended, supplemented, consolidated or re-enacted from time to time (the “UCITS Regulations”); and

- (c) the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD issued pursuant to Article 14a(4) of the UCITS Directive (the “UCITS Remuneration Guidelines”).

Accordingly, this Policy shall be kept up-to-date and shall be disclosed on the following website: [www.mitonoptimal.com/jersey](http://www.mitonoptimal.com/jersey). A summary statement in relation to this Policy will also be included in the Company’s Prospectus for the time being in place and in each of the Company’s KIIDs..

The total amount of remuneration for the financial year, split into fixed and variable remuneration (if any), paid by the Company to the Identified Staff will be disclosed in the Company’s Annual Report.

The Board considers that this Policy is in line with the strategy, objectives and values of the Company and is not inconsistent with the best interests of the Company.

### **Remuneration Committee/Board Oversight**

The Board has determined in light of the size, internal operations, nature, scale and complexity of the Company that a remuneration committee is not required. Remuneration matters will be dealt with by the Board with the relevant affected Director absenting them self from such discussions.

The Company has in place a Directors’ conflicts of interest policy. This Policy and its implementation will be subject to the requirements of that conflicts of interest policy.

### **Application**

This Policy is dated 30 April 2018.

It is the Company’s intention to apply this Policy to the remuneration of any Identified Staff from 1 January 2017, subject to the transitional provisions stated in the UCITS Remuneration Guidelines.

### **Delegation**

The Company has appointed MitonOptimal Jersey Limited (the “Investment Manager”) as its investment manager. The Company pays investment management fees at fixed rates which are disclosed in the Company’s Prospectus and Annual Report. The UCITS Remuneration Guidelines provide that when delegating investment management functions, where the remuneration rules would otherwise be circumvented, the Company must ensure that:

- a) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the UCITS Remuneration Guidelines; or
- b) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the UCITS Remuneration Guidelines; these contractual arrangements should cover any payments made to Identified Staff as compensation for the performance of investment management activities on behalf of the Company.

### **Review**

The Board will review the implementation of this Policy on an annual basis.

## SCHEDULE

### Identified Staff

#### *Board Members*

Mr Ian Abrams  
Mr Gary Brennan  
Mr Tom Finlay  
Mr Richard Harwood  
Miss Claire Southam

The above named Board Members are the **Identified Staff** of the Company for the purpose of this Policy.

The Company has no other personnel/staff required to be categorised as Identified Staff for the purposes of complying with applicable UCITS requirements pertaining to the remuneration of its personnel/staff.