

REMUNERATION POLICY OF SALAR FUND PLC

Salar Fund plc (“**Company**”) adopts the following remuneration policy (“**Remuneration Policy**”) for persons determined under clause 1 below (“**Identified Staff**”).

The Company is an investment company with variable capital incorporated on 27 November 2007 and authorised in Ireland by the Central Bank of Ireland (“**Central Bank**”) as an undertaking for collective investment in transferable securities with segregated liability between its funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the “**Regulations**”).

The Company has not appointed an external management company and therefore the directors of the Company (“**Board**”) are directly responsible for the operating and organisational requirements of the Regulations, as well as ensuring that the Company meets the requirements of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and related guidance issued thereunder (“**Central Bank Regulations**”).

The Company is self-managed and this Remuneration Policy has been prepared in a manner that is consistent with and appropriate to the nature, scale and complexity of its business in line with the Regulations, and the Company has determined that overall, its business activity is relatively low risk when compared to other fund structures.

In addition to the requirements of the Regulations, this Remuneration Policy also takes into consideration ESMA’s Guidelines on Sound Remuneration Policies under the UCITS Directive issued on 14 October 2016 (the “**ESMA Guidelines**”).

1. **Determination of Identified Staff**

This Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration who fall within the remuneration bracket of senior management in addition to risk takers whose professional activities have a material impact on the risk profile of the Company.

Any member of the Board is considered to be the “Identified Staff” of the Company, for the purposes of this Remuneration Policy.

The Company does not intend to offer performance-related remuneration to its Identified Staff.

However, in the event that the Company decides to offer performance-related remuneration in the future, it will adhere to the Regulations and the ESMA Guidelines.

The remuneration of the Board, which is a set at a fixed amount, is set at a level that is on par relative to the funds industry market and reflects the qualifications and contributions required of the Board, in view of the Company’s overall complexity.

2. **Principles of Remuneration of the Board and Control Functions**

The Board will not receive any additional fixed or variable remuneration in connection with their work as Board members.

Pensions policy

The Company does not make contributions towards the pensions of Identified Staff.

Payments related to the early termination of a contract

There is no policy currently in effect relating to remuneration in the event of the early termination of a contract.

3. Application of the requirements of the Regulations and ESMA Guidelines to Delegates

The ESMA Guidelines provides for a look-through of the remuneration principles of the Regulations and the ESMA Guidelines to delegates where the rules would otherwise be circumvented. In this regard, the Company has an obligation to ensure that the delegates are either (i) subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the ESMA Guidelines or (ii) that appropriate contractual arrangements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements contained in the Regulations.

Application to sub-delegates

Where a delegate further delegates its functions to a sub-delegate, the delegate must ensure the sub-delegate complies with the requirements above.

Current delegates

The Company delegates investment management functions to Ferox Capital LLP (the "**Investment Manager**").

Contractual arrangements

The Company confirms it has in place appropriate contractual arrangements with the delegates of the Company, including the Investment Manager, to ensure that the remuneration arrangements are equally effective as the remuneration requirements set out in the ESMA Guidelines.

Equally as Effective

As stated above, delegates that are subject to equally as effective regulatory requirements on remuneration are not required to comply separately with the UCITS remuneration requirements. The Company, in line with the ESMA Guidelines, considers that entities subject to the remuneration requirements of the Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD") or the Capital Requirements Directive ("CRD IV") (Directive 2013/36/EU) are considered equally as effective.

In addition, the Company considers CRD/MiFID firms (including firms still subject to CRD III and which have availed of exemptions available under CRD IV) to be equally as effective pursuant to prior guidance issued by the Central Bank on the same requirement under AIFMD.

The Investment Manager is subject to the remuneration requirements under the Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD").

Proportionality

The ESMA Guidelines neither expressly permit nor prohibit the use of proportionality in the context of remuneration requirements of delegates. As there is no further European or Central Bank guidance in this regard, the Company acknowledges Irish investment funds practice and considers that the principles of proportionality based on nature, scope and complexity also apply to its delegates and sub-delegates. In this regard, the Company acknowledges that certain or all of the requirements of the Regulations and/or the Guidelines may be disapplied by the Company's delegates or sub-delegates based on the principles of proportionality.

4. Review and amendments of the Remuneration Policy

The Remuneration Policy is reviewed by the Board at least once per year.

In reviewing the Remuneration Policy, the Board will consider whether the overall remuneration system:

- (a) operates as intended (in particular, that all agreed plans/programmes are being covered, that the remuneration pay-outs are appropriate relative to the complexities of the operation of the Company and that the risk profile, long-term objectives and goals of the Company are adequately reflected; and
- (b) is compliant with national and international regulations, principles and standards.

Any proposed amendment to the Remuneration Policy requires:

- (c) firstly, an assessment of the proposed amendment by the Designated Person responsible for Risk Management in accordance with the principles set out under clause 2 above; and
- (d) secondly, approval by the Board, taken by a simple majority of those directors present or represented at the relevant meeting.

5. Disclosure

The Company discloses, without prejudice to confidentiality and data protection provisions, relevant information on the Remuneration Policy in its Annual Report, Prospectus and Key Investor Information Documentation.

At all times, this Remuneration Policy will be made available to Identified Staff.

Effective 1 January 2017