WESTBECK
CAPITAL MANAGEMENT

Westbeck Capital Management LLP (the "Firm")

POLICY ON REMUNERATION AND REMUNERATION CODE PRINCIPLES

Covering the remuneration period 1 April 2025 to 31 March 2026 ("Remuneration Period")

August 2025

VERSION CONTROL

DATE	CHANGES AND UPDATES
September 2022	Initial version
July 2025	- Inclusion of the FCA Prudential Regime, FCA Handbook SYSC 19G - Inclusion of UCITS and SFDR regimes - Update to the Remuneration Code Staff reflecting governance and staff changes

1. INTRODUCTION

The Firm must establish implement and maintain remuneration policies, procedures and practices that are consistent with and promote effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of any alternative investment funds ("AIFs") or other client accounts, e.g. separately managed accounts or UCITS, managed by the Firm (together, the "Funds"). The Remuneration Code includes various Principles (outlined below) that firms are expected to consider and apply as appropriate.

1.1: FCA SYSC 19B and 19G

The Firm is subject to the Remuneration Code for Full-Scope Alternative Investment Fund Managers ("AIFMs") (the "Remuneration Code"), as codified in Section 19B of the SYSC Handbook. In addition, the Firm is subject to the elements of the Remuneration Code as per Section 19G of the SYSC Handbook. For the purposes of the Investment Firms Prudential Regime, the Firm is classified as an 'SNI firm' and is therefore subject to the 'Basic' remuneration requirements only. The Firm is not part of an investment firm group.

1.2: UCITS and SFDR

This Policy has also been drafted in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures (''SFDR'') in the financial services sector and regulatory guidance published by relevant authorities thereon, the European Securities Markets Authority ("ESMA") Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) (the "ESMA UCITS Guidelines").

Article 5 of the SFDR, requires financial market participants (i.e., UCITS investment managers and AIFMs) to outline within their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites. In light of the limited impact of the variable remuneration of the Code Staff (defined below) on the risk profile of the Funds and the nature of the business of the Firm including the investment management activity of the Funds, it is considered that there is no risk of misalignment with the sustainability risks associated with the investment decision making process of the Firm in respect of the Funds.

2. PROPORTIONALITY

2.1: FCA

The FCA expects firms to apply the Principles in a manner that is proportionate to the size, nature and complexity of a firm's business. With respect to the Remuneration Code, the Firm considers itself a low-risk firm; the risk appetite and profile of the client are generally consistent with that of the Firm.

What constitutes compliance with the Remuneration Code based on the size, nature and complexity of a firm's business, the FCA has stated that there will be some firms that will be expected to apply more sophisticated policies or practices to fulfil the requirements, while others can meet the requirements in a simpler or less burdensome way.

It is primarily the responsibility of the Firm to assess its own characteristics and to develop and implement remuneration policies and practices that appropriately align with the risks faced and provide adequate and effective incentives to its staff. Therefore, the FCA is explicitly not expecting all firms to adhere to the remuneration requirements in the same way and to the same extent, i.e. there is no "one-size fits all" approach.

The Firm has identified those employees who are covered by the AIFMD Remuneration Code ("AIFMD Code Staff") as those employees who have a material impact on the risk profile of the Firm or AIFs managed by the Firm. This includes senior management, risk takers, those holding control functions and any employee whose total remuneration takes them into the same remuneration bracket as senior management. With respect to each performance period, the Firm assessed which staff are Code Staff, and this is documented (refer to APPENDIX B).

2.2: UCITS

The variable remuneration instruments requirement of the ESMA UCITS Guidelines do not apply where the UCITS in question comprise less than 50% of the Firm's total assets under management[1]. As such, the Firm considers that such a requirement should not apply in its case.

In general, the Firm is satisfied that that proportionality may be applied where the majority of the following conditions are met or in circumstances, not outlined below, where there are other substantive reasons why proportionality should be applied:

- the investment manager is a relatively small organisation, typically having fewer than 50 staff, having no subsidiaries and no branches;
- it is not a listed entity and in the case of a partnership is majority owned by its partners;
- its activities are primarily third-party investment management and distribution of collective investment schemes;
- its assets under management are less than € 1.25 billion; and
- the risk profiles of the Funds under management are relatively low. Such risk profiles to consider the investment strategy, liquidity, ease of valuation, diversification and other related parameters.

3. GENERAL STATEMENT ON THE REMUNERATION CODE

The Remuneration Code covers all aspects of remuneration that could have a bearing on effective risk management, including salaries, bonuses, long term incentive plans, options, hiring bonuses, severance packages and pension arrangements. The Remuneration Code is principally concerned with the risks created by the manner by which remuneration arrangements are structured.

The Policy is gender neutral. Pursuant to the Equality Act 2010, discrimination on the basis of an individual's protected characteristics both before and after employment is offered, is prohibited. This applies to pay and all other contractual terms, including variable remuneration.

[1] The ESMA Consultation Paper on Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (2015/ESMA/1172), section 6.5 (payment in instruments). < 2015-1172_cp_on_ucits_v_u_aifmd_remuneration_guidelines.pdf>

The following describes the Firm's Policy on the Principles of the Remuneration Code.

3.1: Risk Management

The Firm's Remuneration Policy is consistent with the Firm's risk management objectives and does not encourage risk taking and promotes a risk averse culture. The Firm has set detailed risk limits, which are strictly adhered to, for the client accounts it manages. The risk limits are managed and monitored by the Firm's risk management function.

3.2: Supporting Business Strategy, objectives, values and interests and avoiding conflicts of interest

As an asset manager, the Firm's risk strategy is documented and disclosed in the offering document of the AIFs managed by the Firm or within investment management/advisory agreements with clients. The Firm does not exceed these risks levels and has no incentive to do so. The Firm's risk strategy is aligned with the interests of the client accounts advised or managed by the Firm.

The Firm's business strategy and long-term interest and the interest of investors is to maximize the performance of the portfolios in compliance with the offering documents or investment management/advisory agreements.

3.3: Avoiding Conflicts of Interest

The Firm has a documented Conflicts of Interest Policy and Inventory in order to identify, manage and monitor the Firm's conflicts.

This includes a consideration of any conflicts that may arise in relation to the Firm's remuneration arrangements.

The Firm promotes a culture of responsible business conduct, which is aligned with the standards of conduct expected under the Senior Managers and Certification Regime. The Firm's remuneration arrangements are compatible with this philosophy.

The Firm ensures that staff members have an awareness of the Firm's risk profile and risk tolerance. The Firm's remuneration arrangements are aligned to this.

In addition, material conflicts that other firms face – dealing as principal, custody of assets, dealing through affiliated brokers – do not apply to the Firm.

After taking into account the Firm's current controls as described above, the Firm has concluded that remuneration does not present a significant conflict of interest to the Firm's clients (or underlying investors).

3.4: Non-executive directors

The Firm does not have any non-executive directors.

3.5: Governance

The Firm's governing body has reviewed and adopted this Remuneration Policy. It is the Firm's policy to review and assesses the Firm's Remuneration Policy and procedures on an annual basis or sooner should the business change or other need arises.

It is the Firm's policy that its Compliance Officer and Chief Operating Officer in conjunction with its auditor will review the Firm's compliance with the Firm's current Remuneration Policy.

Currently the Firm manages 1 strategy, in respect of one managed account, one Cayman fund structure and sub-delegation to a UCITS, the Firm has not established a Remuneration Committee as the Firm is not

deemed to be significant in size including the nature, scope and complexity of its activities.

3.6: Control Functions

The members of the Firm's governing body, who have a significant amount of experience in the industry and are involved in the day-to-day business, are responsible for ensuring that the remuneration of those persons in control functions is linked to their performance and achievements of the business areas they control.

3.7: Fixed and Variable Components of Remuneration

Categorising Fixed and Variable Remuneration

Employee remuneration is based on the assessment of the individual's performance and competence in his/her role within the business during a defined period. This is determined on an individual basis within a set framework determined by the governing body, any variable remuneration award is subject to an assessment of the individual's financial and non-financial performance. This also takes into account an individual's performance in relation to compliance with the Firm's policies and procedures, thus ensuring that remuneration promotes effective risk management. The Firm is dedicated to ensuring that individuals are not remunerated for exceeding the risk tolerances of the Firm.

For employees, remuneration comprises an annual salary and a discretionary bonus.

In relation to Partners of the Firm, remuneration costs of monthly drawings and a discretionary share of profit at the end of the year, dependent on the performance of the individual or their business unit. This discretionary share is usually classified as variable remuneration.

Balance of Fixed and Variable Components of Total Remuneration

It remains the case that it is not the Firm's policy to pay guaranteed variable remuneration and fixed remuneration is determined by market rates. Variable remuneration can range from zero to an amount which ensures that the fixed component of total remuneration is sufficiently high.

It is the Firm's policy that remuneration of early termination of contracts reflect the performance and competence of the individual during the time employed at the Firm. The Firm's policy is not to remunerate individuals based on share awards and the Firm does offer any non-cash pension benefits.

The Firm does not apply the pay-out process rules on the grounds of proportionality.

3.8: Variable Remuneration

Remuneration and Capital

The Firm awards remuneration on the same cycle as the Firm's financial year. This Firm considers variable remuneration in the context of the Firm's financial position, for instance as set out in the last audited financial statements and projected costs going forward.

The Firm has the flexibility to direct resources towards capital building if this is deemed appropriate.

The Firm ensures that it does not award variable remuneration if this were to erode the Firm's capital base, to the degree that it would be in breach of its requirements under AIFMD or the Overall Financial Adequacy Rule.

Exceptional Government Intervention

This does not apply to the Firm.

Assessment of Performance

Variable remuneration (as noted above) is determined by an individual's performance as well as the Firm's performance. For example, if portfolio performance is poor, the variable remuneration pool will be considerably smaller.

3.9: Further AIFMD Considerations

The Firm considers the following elements of remuneration as required under Principle 5 of SYSC 19B:

a: Remuneration Structures – assessment and performance (SYSC 19B.1.12)

An AIFM must ensure that, where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the AIFM. When assessing individual performance, financial and non-financial criteria are taken into account.

An AIFM must ensure that the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIFs managed by the AIFM to ensure that:

(1) the assessment process is based on longer term performance; and

(2) the actual payment of performance-based components of remuneration is spread over a period which takes account of the redemption policy of the AIFs it manages and their investment risks.

Taking account of the remuneration principles proportionality rule described above, the FCA does not generally consider it necessary for a firm to apply the rules referred to below where, in relation to an individual ("X"), both of the following conditions are satisfied:

(a) Condition 1 is that X's variable remuneration is no more than 33% of total remuneration; and

(b) Condition 2 is that X's total remuneration is no more than £500,000.

The rules referred to above are those relating to:

(a) guaranteed variable remuneration (Principle 5b);

(b) retained units, shares or other instruments (Principle 5e)

(c) deferral (Principle 5f); and

(d) performance adjustment (Principle 5g).

The Firm's performance related remuneration is based on the assessment of the individual's performance and competence in his/her role within the business during a defined period.

Each employee is appraised at the end of each year and goals and targets are set for the following year. Compensation is a function of the employee's performance and the firm's overall profitability.

This process takes into account the proportionality guidance for individuals not meeting the variable and total remuneration criteria as described above.

b: Remuneration structures – guaranteed variable remuneration (SYSC 19B.1.14)

An AIFM must not award, pay or provide guaranteed variable remuneration unless it;

(1) is exceptional;

(2) occurs only in the context of hiring new staff; and

(3) is limited to the first year of service.

It is not the Firm's policy to pay guaranteed variable remuneration.

c: Remuneration structures – ratios between fixed and variable components of total remuneration (SYSC 19B.15)

An AIFM must ensure that:

(1) fixed and variable components of total remuneration are appropriately balanced; and

(2) the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The fixed remuneration is determined by market rates. The Firm has a flexible approach on the variable remuneration component which varies depending on the following; the individual's performance, the Firm's performance and the AIF's performance, in accordance with Principle 5.a (as detailed above).

d: Remuneration structures – payments related to early termination (SYSC19B.1.16)

An AIFM must ensure that payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

It is the Firm's policy that remuneration of early termination of contracts reflect the performance and competence of the individual during the time employed at the Firm.

e: Remuneration structures – retained units, shares or other instruments (SYSC 19B.1.17) – Pay out Process Rule 1[2]

(1) Subject to the legal structure of the AIF and the instrument constituting the fund, an AIFM must ensure that a substantial portion, and in any event at least 50% of any variable remuneration, consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments. However, if the management of AIFs accounts for less than 50% of the total portfolio managed by the AIFM, the minimum of 50 % does not apply.

(2) The instruments in (1) must be subject to an appropriate retention policy designed to align incentives with the long-term interests of the AIFM and the AIFs it manages and the investors of such AIFs.

(3) This rule applies to the portion of the variable remuneration component deferred in line with SYSC 19B.1.18R (1) and the portion not deferred.

The Firm does not apply the pay-out process rules on the grounds of proportionality – See **APPENDIX A** for details.

f. Remuneration structures – deferral (SYSC 19B.1.18) – Pay Out Process Rule 2

(1) An AIFM must not award, pay or provide a variable remuneration component unless a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned and is correctly aligned with the nature of the risks of the AIF in question.

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[2] **Pay Out Process Rules**
i. Retained units, shares or other instruments Guidance consultation (SYSC 19B.1.17R),
ii. Deferral (SYSC 19B.1.18R), and
iii. Performance adjustment (SYSC 19B.1.19R & SYSC 19B.1.20G).

(2) The period referred to in (1) must be at least three to five years, unless the life cycle of the AIF concerned is shorter.

(3) Remuneration payable under (1) must vest no faster than on a pro-rata basis.

(4) In the case of a variable remuneration component of a particularly high amount, at least 60 % of the amount must be deferred.

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(1) £500,000 is a particularly high amount for the purpose of SYSC 19B.1.18 R (4).

(2) Paragraph (1) is without prejudice to the possibility of lower sums being considered a particularly high amount.

(3) Whilst any variable remuneration component of £500,000 or more paid to AIFM Remuneration Code staff should be subject to 60% deferral, firms should also consider whether lesser amounts should be considered to be 'particularly high', taking account, for example, of whether there are significant differences within AIFM Remuneration Code staff in the levels of variable remuneration paid.

The Firm does not apply the pay-out process rules on the grounds of proportionality – See **APPENDIX A** for details.

g. Remuneration structures – performance adjustment, etc. (SYSC 19B.1.19) – Pay out Process Rule 3

An AIFM must ensure that any variable remuneration, including a deferred portion, is paid or vests only if it is sustainable according to the financial situation of the AIFM as a whole and justified according to the performance of the AIF, the business unit and the individual concerned.

The total variable remuneration should generally be considerably contracted where subdued or negative financial performance of the AIFM or of the AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

The Firm does not apply the pay-out process rules on the grounds of proportionality – See **APPENDIX A** for details.

APPENDIX A – PROPORTIONALITY AND 'PAY-OUT PROCESS RULES' UNDER AIFMD AND UCITS

With respect to the Remuneration Period, the Firm has dis-applied the payout process rules as the Firm has considered the following:

A.1 SIZE

Per FCA guidance, the Firm can make an assessment on whether it can apply the 'principle of proportionality' in-part on the basis of assets under management in AIFs. The threshold is £5 billion for AIFs that are unleveraged and have at least a 5-year lock-in period, and £1 billion otherwise. Assets under management is defined as the aggregate net asset value of the AIFs based upon the most recent valuation date of the AIFs.

The Firm has AUM which falls below the threshold of £1bn (as detailed in FCA guidance accompanying the Remuneration Code).

The Firm has 9 members of staff (this includes partners and employees) performing services for the AIFM. This includes 4 members of staff that are "AIFMD Code Staff".

A.2 OWNERSHIP STRUCTURE

The Firm is owned by the Firm's partners.

A.3 NATURE, SCOPE AND COMPLEXITY OF ACTIVITIES

- Number of investment strategies/number of AIFs

The Firm manages 1 strategy which is deemed to be non-complex. The strategy follows a long / short equity strategy. In addition, the AIF is managed following strict adherence to investment and risk limits as noted in the AIF's offering memorandum.

- Risk management and monitoring

The discretion of the AIFM is strictly controlled within certain defined parameters as noted in the AIF's offering memorandum.

- The nature of certain fee structures such as performance fees or carried interest

Although the Firm manages 1 AIF and 2 non-AIFs with different fee structures, the Firm has strict trading and allocation processes in place in order to align the interest of investors and avoid incentives for risk taking.

- Level of Risk

Due to the size of the Firm, the non-complex strategy managed and the market impact of the strategy managed, the Firm is categorised as low risk.

- The nature of any delegation arrangement between the AIFM and the delegate

The Firm does not delegate portfolio or risk management.

A.4 PROPORTIONALITY UNDER UCITS

Per ESMA UCITS Guidance, the Firm can disapply the proportionality requirement if the UCITS activity of the Firm comprises less than 50% of the Firm's total assets under management. As such, the Firm considers that such a requirement should not apply in its case.

APPENDIX B - CODE STAFF

Name of Firm:	Westbeck Capital Management LLP	
Performance period:	From: April 2025	To: March 2026
Date of assessment:	July 2025	

Name	Job Title	Code Staff Category (see Note 1)
William Smith	Partner, PM	S, R
Suzanne Jenkins	Partner, Head of Marketing	S, R
Simon Cross	Partner, COO, CFO	S, R
Dorota Holowiak	Compliance Officer, MLRO	C

Note 1: the categories of Code Staff are:

S = Senior management

R = Risk-takers, which includes staff members whose professional activities can exert material influence on the firm's risk profile or on an AIF managed by the firm

C = Staff engaged in control functions (staff other than senior management) responsible for risk management, compliance, internal audit and similar functions

O = Any other staff member receiving total remuneration that takes them into the same remuneration bracket as senior management and risk-takers, whose professional activities have a material impact on the firm's risk profile