Remuneration Policy

BlueOrchard Asset Management (Luxembourg) S.A.

Contents

For the purpose of this document, the terms “BlueOrchard”, “BOAM” and “the Company” mean BlueOrchard Asset Management (Luxembourg) S.A. unless the context indicates otherwise. “BOF” means BlueOrchard Finance Ltd.

INTRODUCTION

1.1 Interpretation

In addition to the terms defined elsewhere in the remuneration policy (the “Remuneration Policy”), the definitions in Annex IV (Interpretation) apply throughout this Remuneration Policy, unless otherwise set forth herein.

1.2 Legal framework

The Company’s remuneration governance practices, which are set out in this Remuneration Policy, are part of the Company’s overall corporate governance structure. They should be read in conjunction with the Company’s other policies and guidelines.

The Remuneration Policy complies with the general compensation principles and requirements under:

- Directive 2011/61/EU – Annex II AIFMD as implemented by the Luxembourg law of 12 July 2013 in particular Annex II: Remuneration Policy;
- Directive 2014/91/EU – UCITS V Directive, implemented by the Luxembourg law of 10 May 2016;
- the ESMA guidelines on sound remuneration policies under the UCITS V Directive and the AIFMD;

and will evolve together with any other laws, regulations, administrative circulars and guidelines that may apply from time to time to the Company (together the “Applicable Laws”).

1.3 Scope

In terms of scope, this Remuneration Policy applies to all Staff Members of the Company, with a specific focus on Identified Staff, as listed in Annex III.

1.4 The Company and its values

BlueOrchard currently manages three alternative investment funds (AIF) and one UCITS fund with in total less than two billion euros of assets under management.

BlueOrchard is dependent on highly-skilled individuals who specialize in a broad range of disciplines. The ability to attract, retain, reward, and motivate such individuals is fundamental to BlueOrchard’s long- term success. In support of these goals, and to align Staff Members’ interests with key stakeholders, BlueOrchard sets out remuneration policies and practices geared toward:

- supporting a performance culture that is based on merit, and differentiates and rewards excellent performance, both in the short and long term, and recognizes BlueOrchard’s values;
- enabling BlueOrchard to attract and retain Staff Members, and motivate them to achieve results with integrity and fairness;
- balancing the mix of Fixed Remuneration and Variable Remuneration to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviors and actions;

- promoting consistent, effective risk management practices and supporting the Company's compliance and control culture;
- being in line with BlueOrchard's business strategy, objectives, values, and interests;
- taking into account the long-term performance of BlueOrchard, in order to create sustainable value for the Company's stakeholders.

BlueOrchard is committed to responsible compensation practices. The need to reward the Company's Staff Members fairly and competitively based on performance is balanced with the requirement to do so within the context of principled behaviour and actions, particularly in the areas of risk, compliance, and control. Compensation contributes to the achievement of the Company's objectives in a way that does not encourage excessive risk-taking or the violation of Applicable Laws.

1.5 Nature of the relationship between the Company and the Staff Members

Nothing contained in this Remuneration Policy shall be construed or have effect as giving rise to an employment relationship of employer and employee where a specific employment contract has not been concluded with the Staff Member. By no means shall this Remuneration Policy be used to alter the nature of the relationship existing between the Staff Member and the Company.

GOVERNANCE – RESPONSIBILITIES AND MONITORING

The Company has a policy of a clear separation of responsibilities between the recommendation, review and approval of compensation plans.
The Board of Directors carries out the identification of the material risk takers of the Company.

2.1 Board of Directors

The remuneration of all Staff Members of the BlueOrchard companies is first defined at the group level, by the Board of BOF, given the strong integration of the group structure.

In relation to Identified Staff, the determination of remuneration at the group level ensures that no conflict of interests is created.

For the Staff Members of BOAM who do not qualify as Identified Staff, such remuneration as defined at the group level is reviewed and approved by BOAM's Board of Directors on an annual basis.

BOAM's Board of Directors is the supervisory and governing body for remuneration policies and practices within BOAM. As no member of the BOAM's Board of Directors is part of the executive management of BOAM, no conflicts of interest would arise in terms of remuneration policies and practices. Due to the application of the proportionality principle (see under section 3.2 below), no separate remuneration committee is established.

The Board of Directors of BOAM ensures an annual review of the Remuneration Policy, its compliance with Applicable Laws and its implementation within BOAM. Again, as no member of the BOAM's Board of Directors is part of the executive management of BOAM, potential conflicts of interests in relation to remuneration policies matters are avoided.

Once a year, the Board of Directors identifies Staff Members who may take material risks. This includes amongst others members of the Board of Directors and the conducting officers, as well as control functions.

2.2 Compliance and Internal Audit

The Group Compliance Function assesses and controls the implementation of the Remuneration Policy, in cooperation with BOAM's Compliance and Internal audit functions. As part of standard procedure, Compliance and/or Internal Audit functions may conduct reviews of compensation to ensure that the Remuneration Policy standards, external regulations, and internal guidelines and practices are adhered to and consistently followed in practice.

REMUNERATION

3.1 Remuneration principles

The Company undertakes, in particular in relation to Identified Staff, to:

- constantly maintain a remuneration policy that is consistent with and promotes sound and effective risk management and does not encourage risk taking;
- ensure that the Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company, the AIFs/UCITS it manages and of the investors in the AIFs/UCITS;
- avoid or at least mitigate conflicts of interests and implement any necessary measures to keep this commitment;
- compensate control functions in accordance with the objectives linked to their function, independent of the business areas that they control;
- keep guaranteed Variable Remuneration, if ever paid, exceptional, only in the context of hiring new Staff Members and limited to the first year of employment;
- ensure that payments relating to the early termination of a contract beyond the legal requirements are justified based on reasonable grounds, designed in a way that does not reward failure but instead reflect performance achieved over time;
- maintain an appropriate balance between the Fixed Remuneration and the Variable Remuneration and ensure that the Fixed Remuneration represents a sufficiently high proportion of the Total Remuneration. The balance between the fixed and variable component of remuneration shall be reasonable and not encourage excessive risk taking.
- enable vesting/pay of Variable Remuneration only if it is sustainable according to the financial situation of the Company as a whole; depending on the financial situation, VariableRemuneration can be contracted, even down to zero;
- ensure that the Variable Remuneration takes into account all current and future risks and is based on the performance of the Staff Member, the business unit and the AIFs/UCITS managed and the overall results of the Company;
- assess the performance in a multi-year framework with no right to receive the Variable Remuneration before the end of an accrual period of at least one year;
- ensure the prohibition of vehicles or methods which aim at artificially evading the remuneration regulations;
- apply clawback if and where appropriate, including in case of evidence of misbehaviour or serious error, significant downturn in the financial performance of the Company and/or the AIFs/UCITS, significant failure of risk management, significant changes in the Company's overall financial situation.

Where the Company delegates some functions to third parties, the Company ensures that the entities to which some functions have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under AIFMD/UCITS V. In case of doubt, appropriate

contractual arrangements will be put in place with such entities in order to ensure that there is no circumvention of remuneration rules set out under European requirements; these contractual arrangements would cover any payments made to the delegate's identified staff as compensation for the performance of the delegated functions.

3.2 Proportionality

BOAM considers that it can benefit from the proportionality principle as set out pursuant to Applicable Laws. This assessment is based on the following factors:

- Size: BOAM's AuM is less than EUR 5billion and it can hence be considered a relatively small ManCo.
- Internal organization: The governance structure of BOAM is fairly simple and the Company does not have a large number of Staff Members.
- Nature scope and complexity of the activities: While BOAM does manage AIFS and a UCITS, the Funds managed by BOAM are not of a highly complex nature and are not listed. The risk profiles of the Funds are relatively low.

Therefore, BOAM invokes the proportionality principle and does not apply the requirements on variable remuneration in instruments subject to retention, deferral and malus as ex post incorporation of risk for Variable Remuneration, as well as the establishment of a remuneration committee.

3.3 Determination of Identified Staff

In accordance with ESMA guidelines the company categorizes the following employees as identified staff:

- Member of the Board of Directors of the company
- Conducting Officers of the Company
- Control functions
- Other staff members whose professional activities exert material influence on the company's or managed funds' risk profile. The assessment is done on a case by case basis based on the decision making power of the staff member and its possible influence on the performance of thecompany's or managed funds performance.

3.4 Compensation Structure of Staff Members who are not Identified Staff

The Company will pay Fixed Remuneration as well as a reasonable amount of Variable Remuneration to its Staff Members who do not qualify as Identified Staff.

The Fixed Remuneration will be determined in line with the Staff Member's role, job complexity, rank and responsibilities as well as with local market conditions.

The Fixed Remuneration components are:

- Base Salary;
  ;
- Other contractual benefits aligned with market practice (luncheon vouchers).

Market standard pension schemes and the other contractual benefits granted are part of a general, company-wide, non-discretionary policy and do not pose any incentive effects in terms of risk assumption.

The Staff Members may be eligible to receive discretionary Variable Remuneration, mainly in the form of a bonus.

3.5 Compensation Structure of Identified Staff

The Company takes a Total Remuneration approach, based on two principle components: Fixed Remuneration and Variable Remuneration. The compensation structure is composed of the amounts that are Fixed and Variable, including the portion of Variable Remuneration that is held back pursuant tothe Discretionary Variable Incentive Award scheme as described in Appendix I. The objective is to have an appropriate balance between these elements.

The mix of Fixed and Variable Remuneration is designed to ensure adequate consideration of risk in compensation decisions; it varies depending on the position and the role within the Company.

3.5.1 Fixed Remuneration

The Fixed Remuneration mainly includes the Base Salary. The Base Salary is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. The Base salary is set at levels designed to retain Employees throughout business cycles and to allow the operation of a fully flexible policy on Variable Remuneration, including the possibility of not paying any variable component.
In addition to the Base Salary, the Fixed Remuneration includes luncheon vouchers and pension benefits both paid to the extent mandatory or market practice; there are no discretionary pension benefits. Market standard pension schemes and the other contractual benefits granted are part of a general, company-wide, non-discretionary policy and do not pose any incentive effects in terms of risk assumption.

3.5.2 Variable Remuneration

The level of Variable Remuneration granted is entirely at the discretion of the Company, and may be zero in cases of substandard performance. The Company makes decisions on Variable Remuneration based on absolute and relative performance of the Company, the performance of the AIF and UCITS it manages (only for non-control functions), as well as pre-agreed individual performance objectives of Employees, market positioning, and a variety of other factors.
Identified Staff are prohibited from using personal hedging strategies or remuneration-related insurance the purpose or effect of which would be to undermine risk-alignment effects embedded in their remuneration.

The Board of directors has the right to require staff members to repay all or part of the variable remuneration that have been awarded for performance based on data which was subsequently proven to be fraudulent.

3.5.2.1 Discretionary Variable Incentive Awards – Postponed Variable Compensation

The Company has mainly recourse to the Discretionary Variable Incentive Award (as described in Appendix I) as Variable Remuneration.
Although, based on the application of the proportionality principle, a postponement of Variable Remuneration is not required by law, for good corporate governance and to follow best industry practice, substantial portion of Variable Remuneration and in any event at least 50% is held back to reflect the nature of the Company's business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria. Postponed Variable Remuneration elements are typically subject to a vesting period of two years. Longer postponement periods may be decided at BlueOrchard

group level based on a number of factors. Postponed Variable Remuneration contains a general provision that enables the Company to cancel outstanding awards if Employees engage in activities that result in, or have the potential to result in, material harm – financial, reputational, or other – to the Company. In case of early termination, the outstanding balance is cancelled to the extent not vested. Appendix I provides for an example outlining the mechanics of the Discretionary Variable Incentive Awards.

3.5.2.2 Sales commissions for Employees with a sales function

Upon approval by the Board of Directors of BOAM, Employees who have a sales function might be entitled to sales commissions. The concerned Employees may not qualify as Identified Staff; the question of whether the concerned Employees qualify as Identified Staff is assessed by the Board of Directors pursuant to Applicable Laws.

3.5.2.3 Specific Compensation Transactions

In addition to the aforementioned components of Variable Remuneration, exceptional variable remuneration components such as sign-on bonuses and termination-related payments may be paid under specific circumstances. In the case of a sign-on bonus, if such an arrangement is necessary at the time of a hire, the guarantee is limited to the recruitment of new Staff Members and for the first year of employment. It is the Company's policy not to make unconditional multi-year guarantees. Termination-related payment will have to reflect performance achieved over time and will in no case reward failure.

BOAM's Board of Directors will decide if granted and the extent of the payment, when fully justified in line with Applicable Laws.

3.5.2.4 Description of Total Remuneration of Identified Staff per role

i. Remuneration of the members of the Board of Directors of BOAM

Members of the Board of Directors may receive a fixed board fee that reflects the respective Board of Directors member's role and scope of responsibility on the Board. Fees are paid in the form of cash. Besides the fixed board fee, Board of Directors members do not receive any Variable or Fixed Remuneration.

ii. Remuneration of executive management/conducting officers

Based on the Total Remuneration approach the remuneration is based on two principle components: Fixed Remuneration and Variable Remuneration. The compensation structure is composed of the amounts that are Fixed and Variable, including the portion of Variable Remuneration that is held back pursuant to the Discretionary Variable Incentive Award scheme as described in Appendix I. The objective is to have an appropriate balance between these elements. The mix of Fixed and Variable Remuneration is designed to ensure adequate consideration of risk in compensation decisions; it varies depending on the position and the role within the Company.

iii. Remuneration of control functions

Control functions, provided they are not also executive management or conducting officers, are predominantly compensated with Fixed Remuneration, while Variable Remuneration is determinedbased on function-specific objectives.

3.6 Variable Compensation Pool

Calculation of the annual Variable Compensation pool is an ongoing process throughout the year at the group level, and takes into account a multitude of factors, including providing an appropriate risk adjusted rate of return to shareholders; supporting a strong risk management and control culture; rewarding and retaining Staff Members and aligning the interests of Staff Members and stakeholders.

The Variable Remuneration calculation is aligned with the long-term performance development – in absolute and relative terms – and includes profit measures that take into account current and future risks.

Accrual of Variable Remuneration occurs at the group level. It is based on sustainable, profit-based performance measures. It is also subject to the achievement of non-financial objectives and values reflected in the group Compliance Manual, with particular emphasis on ethics, risk, compliance and control.

BOAM's Board of Directors regularly reviews proposed accruals and related internal and external reports, and makes adjustments at its discretion. However, an accrual at the group or Company level does not create legal rights or entitlements for Staff Members to receive discretionary variable incentive awards.

3.7 Determination and allocation of Variable Remuneration

The determination and allocation of Variable Remuneration to Staff Members out of a defined Variable Remuneration pool is subject to a broad range of quantitative and qualitative assessment criteria – with particular emphasis on an individual's performance, conduct, responsibilities, position and role. It also takes into account applicable market compensation levels. The determination and granting of discretionary variable incentive awards, as defined at the group level, is entirely at the Company's discretion. The Company shall be entitled to amend the terms regarding granting, vesting and settlement of awards in order to comply with Applicable Laws.

3.7.1 Performance management principles – Staff Members performance

The Company adopts a performance culture with a strong emphasis on disciplined risk management, ethics and compliance-centered behavior. Allocation decisions are based on the performance of the Company and the individual. To support this, the Company has a comprehensive performance management system based on two performance ratings: Contribution and Competency, pursuant to which both quantitative and qualitative criteria are taken into account to assess individual performance. The performance management system enables to attract, develop and retain a highly qualified and competent workforce and to ensure a fair allocation of Variable Remuneration in line withdemonstrated job performance and long-term interests.

Contribution ratings are typically based on objective criteria of a quantitative nature, such as achieving budget targets, increasing market share, and successful completion of a project. Competency standards, of a qualitative nature, covering ethics, risk, and control (including compliance with internal and external rules and policies, adherence to risk management policy and code of ethics and investor satisfaction) form an integral part of the performance management system. Overall, this scheme ensures that financial as well as non-financial aspects are taken into account in the individual performance assessment.

In relation to control functions, a specific emphasis is put on the following qualitative criteria: appropriateness of internal policies, external and internal audit results, detection of breaches and appropriate internal and external report, due report and investigation of potential investor complaints, detection of non-compliance with internal procedures, etc.

Performance management systems are further designed to foster teamwork and collaboration, as well as support a strong culture of ethical values and professional standards – embodied by the Company's Compliance Manual. All Staff Members are aware of the risk aspects of compensation, and how their behaviours are factored into discretionary variable incentive award recommendations.

Performance review meetings are organized annually between each Staff Member and their line manager to set the performance objectives for a given performance year. The performance objectives determined as well as the performance assessments are properly documented and recorded.

3.7.2 Total Remuneration Considerations

The Total Remuneration decision reflects the impact of the function, and its value within the organization. Total Remuneration is influenced by the market value for a particular role, relative to predetermined Company business results and individual performance goals. The Staff Member's demonstrated skills, capabilities, criticality and experience – in addition to behaviours demonstrating the vision, mission and principles of the Company – are contributing factors in determining Total Remuneration. Additionally, Staff Members' specific roles and/or levels are considered in part with a view towards determining the potential of an individual (or group of individuals) to expose the Companyto inappropriate risk. Both financial risks – such as credit, market, and liquidity risks – and non-financial risks – such as compliance, legal, operational, and reputation risks – are considered.

3.7.3 Equal Compensation Opportunity

The Company does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, sexual orientation, gender identity, religion, age, marital or family status, pregnancy, disability – or any other status that is protected by local law. The Group encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment- related decisions, including decisions on compensation, are based on an individual's qualifications,performance and behaviour, or other legitimate business considerations. Legitimate business considerations may include (though need not be restricted to) the profitability of the Company, the strategic needs of the Company as well as any other considerations that the Company deems legitimate to its business interests.

MEASURES AGAINST CONFLICTS OF INTERESTS

Conflicts of interests in relation to remuneration should be non-existent or at least highly mitigated as:

- the determination of remuneration of the Identified Staff is carried out at the group level;
- the implementation, oversight and adjustments to the Remuneration Policy require involvement of the Board of Directors, potentially assisted by the control functions;
- the Variable Remuneration paid, if any, will not exceed 50% of the Fixed Remuneration;
- control functions will be independent and will not be compensated pursuant to mechanisms that could unduly influence their decisions.

In any case, the Board of Directors undertakes to adopt measures that may be necessary to prevent or mitigate any potential risk of conflict of interests whatsoever, taking into account the Company's size, structure and organisation.

5 DISCLOSURE

5.1 External Disclosure

External disclosure should be included in the AIF’s and UCITS’s annual report which is made available to investors upon request. The disclosure should cover:

- The total amount of remuneration for board members
- The total amount of remuneration received by the staff of the company broken down into a fixed and variable part
- A description of the remuneration policy with a reference that investors can request a copy of the policy free of charge

5.2 Internal Disclosure

The remuneration policy is part of the company’s policies and procedures and as such should beavailable to all staff members. Any updates should be communicated. The employees are regularly butat least yearly informed about their remuneration and the criteria used to determine it.

6 EU Sustainable Finance Disclosure Regulation

The Remuneration Policy promotes sound and effective risk management with respect to sustainability risks, ensuring that the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks. BlueOrchard also considers the effect of potential conflicts of interest on remuneration in a way that is consistent with the integration of sustainability risk, including (but not limited to), any activities that give rise to greenwashing, misselling, or misrepresentation of investment strategies.