

R+V AIFM S.à r.l

REMUNERATION POLICY

Remuneration Policy

Document Control

Policy Type	Regulatory/Compliance
Classification Level	Public
Owner	Compliance
Reviewer	Senior Management /Conducting Officers
Approver	Board of Managers
Date of Approval	2024-02-27

Date	Version	Comments
2019-04-02	0.1	Initial Version
2020-07-14	1	Final version approved by the board
2021-02-22	2	Amended version approved by the board
2022-11-21	2a	Amended version approved by the board
2023-12-19	3	Amended version approved by the board
2024-02-27	4	Amended version approved by the board, Annex addition and process updates

Table of Contents

1	Overview	4
1.1	Introduction	4
1.2	Scope	4
1.3	Objective	4
1.4	Regulatory Requirements	4
2	Framework	5
2.1	Responsibilities and Governance	5
2.2	Identified Staff.....	6
2.3	Proportionality	8
2.4	Remuneration Committee	8
2.5	Conflicts of Interest.....	8
3	Remuneration Strategy	9
3.1	General Principles	9
3.2	Fixed Remuneration Principles	9
3.3	Variable Remuneration Principles....	10
3.4	Discretionary benefits	10
3.5	Other long-term incentives	11
3.6	Exceptions	11
4	Performance Evaluation	11
4.1	General.....	11
4.2	Result.....	12
4.3	Bonus decision	12
5	Information Disclosure	12
6	Review, Maintenance and Amendment	13
7	Document - Authorisation Approval	13
Annex I Proportionality assessment		14
Annex II Performance Management template		14

1 Overview

1.1 Introduction

The purpose of this Remuneration Policy (hereinafter "**Policy**") is to provide a sound, transparent, comprehensive and appropriately documented remuneration framework for R+V AIFM S.à r.l (hereinafter "**AIFM**").

1.2 Scope

This Policy covers all material aspects of the remuneration related processes of the AIFM and is applicable to all employees (hereinafter "**staff**").

In the event of any conflict(s) between this Policy and the local laws and regulations, the latter shall prevail to the extent where such conflict(s) exist(s). Any discrepancy in standards shall entail application of the more stringent.

This Policy covers the principles of the overall fixed, variable, and other discretionary remuneration components.

This Policy is applicable to all staff, members of the Senior Management/ Conducting Officers, and members of the Board of Managers (the "**Board**") of the AIFM.

1.3 Objective

This Policy aims to:

- Avoid or manage conflicts of interest;
- Ensure consistency with and promotion of sound and effective risk management to avoid excessive risk taking;
- Ensure that the remuneration is in line with the business strategy, objectives, values, risk strategy and interests of the AIFM, the AIFs it manages, and/ or the investors of such AIFs; and
- Not encourage risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the AIFs managed by the AIFM.

1.4 Regulatory Requirements

This Policy, as amended from time to time, considers and where applicable abide to the following regulatory framework:

Table 1-1 Regulatory Overview

Item	Regulation /Guidance
AIFMD/Level 1	AIFM Directive 2011/61/EU Annex II
AIFM-DR/Level 2	Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61
CRR	Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (CRR)

Item	Regulation /Guidance
CRD IV	Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU
EBA Guidelines	EBAGL202113 on sound remuneration policies under Directive (EU) 2019/2034
ESMA guidelines	ESMA guidelines on sound remuneration policies under AIFMD
ESMA Q&A	ESMA34-32-352 application of the AIFMD
SFDR	Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR)
2010 Law	The Law of 10 December 2010 relating to undertakings for collective investment
10/437	CSSF circular 10/437, guidelines concerning the remuneration policies in the financial sector
11/505	CSSF Circular 11/505
14/585	CSSF circular 14/585, Transposition of the European Securities Markets Authority's (ESMA) guidelines on the remuneration policies and practices
18/698	CSSF Circular 18/698

2 Framework

2.1 Responsibilities and Governance

The Board of Managers is ultimately responsible for the design and implementation of this Policy, and its compliance with applicable legal and supervisory provisions. Where applicable, the Board of Managers might delegate or mandate parts of this Policy and/or certain tasks to the Remuneration Committee, if any, or the Senior Management/Conducting Officers, and oversee the execution. The AIFM control functions (i.e. compliance, internal audit, and risk management) together with the Human Resources (“HR”) function work closely together, with varying degrees and/ or contact points, to ensure that the Policy is consistent with applicable laws and regulatory provisions, prevents conflicts of interest, and promotes a sound and as well an effective risk management.

Further, the Board of Managers determines and approves the general bonus pool, individual Function allocation, and its distribution as variable compensation.

Furthermore, the Board of Managers will also specifically approve and oversee the remuneration of Senior Management/Conducting Officers, and the staff members who receive the highest amounts of total remuneration within the AIFM.

2.2 Identified Staff

2.2.1 General

The identification of staff (“**Identified Staff**”) is performed based on the criteria provided in Article 30 (1) of Directive (EU) 2019/2034 and the Commission Delegated Regulation mandated under Article 30 (4) of that Directive (Regulatory Technical Standards/ RTS on identified staff) and supplemental internal criteria.

In addition, the AIFM ensures that no gender pay gap exists.

Further, the AIFM conducts annually a review to identify all staff whose professional activities have or may have a material impact on the risk profile of the AIFM, AIFs, and/or the assets it manages.

Such annual appraisal is based on the qualitative and quantitative criteria as defined in Regulation (EU) 2019/2088.

The AIFM seeks to monitor their delegates (for further details please refer to point 2.2.4.4) to ensure that this Policy or an equivalent policy, enabling the AIFM to comply with its regulatory requirements as adopted by them in accordance with the AIFM’s Outsourcing and Third-Party Delegation Handbook, and as well as relevant regulations outlining remuneration and disclosure rules, is in place.

2.2.2 In scope

For the purpose of this Policy, Identified Staff shall include the following persons:

- The Board of Managers;
- The members of the Senior Management/ Conducting Officers;
- Staff members whose professional activity carried out individually, or within a group such as a department or a division of a department, is or is likely to have a material impact on the risk profile of the AIFM, e.g. the portfolio management team;
- Staff members who carry out independent control functions, e.g. functions of compliance and risk management;
- Independent Directors which are acting as a member of the Board of Managers and which are also part of the Senior Management/Conducting Officers of the AIFM (Executive Directors).

2.2.3 Out of scope

- For the purpose of this Policy, Identified Staff shall not include the following persons:
- Independent Non-Executive Directors; and
- R+V Group seconded Non-Executive Directors acting as members of the Board of Managers.

The above groups are out of scope as their remuneration is either fixed, or they are not remunerated for their function as member of the Board of Managers.

2.2.4 Specific principles

2.2.4.1 Board of Managers

Members of the Board of Managers may receive a fixed remuneration on a case-by-case basis. They are generally not eligible to a variable remuneration as set out in point 3.3.

2.2.4.2 Senior Management/Conducting Officers

Members of the Senior Management/Conducting Officers are eligible for variable remuneration as set out in point 3.3.

2.2.4.3 Internal Control Functions

Performance measures for staff responsible for control functions are based on the achievements and objectives of the functions, and their remuneration will be determined independently from the performance of the specific business areas they support. This principle helps to prevent any potential conflicts of interest.

Staff who fall under this category are in the Compliance Function, Risk Management Function, and Internal Audit Function (unless those outsourced, if applicable) ("**Internal Control Function**").

Staff of the Internal Control Function are eligible for variable remuneration as set out in point 3.3.

2.2.4.4 Appointed Portfolio Managers/Delegates

Any outsourced portfolio manager must demonstrate that he/she is subject by law to an equivalent remuneration policy as defined in Annex II of the EU Directive 2011/61/EU on Alternative Investment Fund Managers.

If an outsourced portfolio manager is not subject by law to an equivalent remuneration policy, the AIFM will assess their existing remuneration policy and make proposals to align the remuneration policy with the AIFMD Delegation Regulation (EU) 231/2013, ESMA guidelines and other applicable laws and regulations.

Any outsourced portfolio manager or delegate must effectively demonstrate, that its internal remuneration policy does not encourage excessive risk-taking that is inconsistent with the risk-profile of the AIFs for which the outsourced portfolio manager or delegate has been appointed, and that such remuneration policy generally encourages consistency with and promotion of sound and effective risk management, including, but not limited to, the identification and consideration of sustainability risks.

2.3 Proportionality

In view of the size of the assets under management, the client types to whom it provides services, as well as the nature of the investment policies and strategies, the complexity and size of its organization, the AIFM considers that the proportionality with respect to its own characteristics as a company can be applicable.

This opinion is based on the analysis of the following factors, considered in aggregate:

- The AIFM has less than 15 staff members including all appointed members of the Senior Management/Conducting Officers, and members of the Board of Managers;
- The AIFM has a well-organised internal governance and a straightforward legal structure as set out in the AIFMs Business Organisation Handbook;
- The Funds managed by the AIFM are EU AIFs in the sense of Directive 2011/61/EU in the EU (Luxembourg);
- Even though certain activities of the AIFM could be carried out on a cross-border basis, the well-established legislative frameworks in the target jurisdictions do not give rise to concerns regarding the AIFM's risk profile or its scope of operation; and
- The investment policy of the Funds managed by the AIFM foresee either no or only very limited used of complex instruments and limited levels of leverage (in any event below the qualification of hedge funds).

By applying the principles of proportionality as provided for under ESMA Guidelines 2013/232 (as amended by the ESMA Guidelines 2016/575), the following requirements are not applicable:

- Deferral of remuneration;
- Retention policy;
- Ex post incorporation of risk in the variable remuneration (malus, and potential clawback); and
- Establishment of a remuneration committee (for further details please refer to point 2.4).

The AIFM has concluded that the disapplication of the above requirements is reconcilable with the risk profile, risk appetite, and the strategy of the AIFM and the AIFs it manages, and within the limits of the ESMA Guidelines.

The principle of proportionality are considered by the Board of Managers during the annual review of this Policy.

A detailed analysis has been performed to assess and reconfirm the applicability of the proportionality principle. The results of the assessment are attached in Annex I.

2.4 Remuneration Committee

In consideration of the principle of proportionality, the establishment of a Remuneration Committee is currently not necessary. The establishment of a Remuneration Committee will be re-considered on a regular basis by the Board of Managers (or overseen in case the task was delegated within the AIFM), and at least once a year as soon as the AIFM employs more than 15 staff.

2.5 Conflicts of Interest

Possible conflicts of interest, criteria for the identification of conflicts of interests, and implemented measures taken to avoid or to manage conflicts of interest are described and documented in further detail in the AIFM Conflict of Interest Policy and the associated register.

3 Remuneration Strategy

3.1 General Principles

For the purposes of this Policy, the term “remuneration” shall include all payments made by the AIFM or the AIFs managed by the AIFM in exchange for professional services rendered by the Identified Staff including discretionary benefits, if any.

The remuneration structure of the AIFM consists of a fixed salary (for further details please refer to point 3.2), a variable remuneration (for further details please refer to point 3.3), and components of further discretionary benefits (for further details please refer to point 3.4).

The compensation structure is designed to provide a balance between the fixed and variable remuneration elements, and is in line with the business strategy, objective, value and interest of the AIFM. The maximum limit of the variable component of the remuneration does in principle not exceed 20% of the annual gross salary of the Identified Staff, but can be as low as 0%. Possible exceptions from this rule require the consent and a written resolution from the Board of Managers of the AIFM.

Based on the AIFs managed, the AIFM has decided not to implement sustainability related or other goals towards ESG and/or SFDR compliance in the annual performance assessment of the staff. However, the situation is continuously assessed, and action will be taken if a requirement to incorporate such criteria is arising.

No variable remuneration is guaranteed unless a different arrangement was made contractually.

The AIFM assesses the performance of the individual Identified Staff, excluding the Members of the Board of Managers and the Senior Management/ Conducting Officers, through a standardized form (for further details please refer to Annex II).

On an annual basis a benchmarking of the total remuneration of all employed staff is performed by HR through a comparison against a Luxembourg market survey, and the results are presented to the Board of Managers. Deviations can lead to adjustments at the discretion and written decision of the Board of Managers, but by default do not mandatorily or automatically happen.

3.2 Fixed Remuneration Principles

The fixed remuneration of any Identified Staff shall always represent a sufficiently high proportion of the total remuneration to allow for financial independence of variable remuneration on an individual level, including the possibility to pay no variable remuneration component at all (for further details please refer to point 3.3).

The individual staff proportion of fixed and variable remuneration therefore will not promote extensive or disproportionate risk-taking.

The fixed remuneration:

- Balances the value of the job, competences, experiences, and the distinctive market competitive contributions of staff employed;
- Balances the responsibilities, knowledge, skills and experience required in job positions and of the staff (the market value of the job and the person);
- Supports the work environment in the AIFM in terms of:
 - a. Performance (stretched goals, results achievement, feedback),
 - b. Development (career, employability), and
 - c. Core competencies (foster growth, act responsibly, be accountable, excellence in execution, cooperate as a team); and

- Ensures that the fixed remuneration does not reward staff (for example, as an alternative to variable compensation) for previously engaging in excessive risk-taking, and does not encourage staff to engage in future excessive risk-taking.

The fixed remuneration refers to 12 equal instalments per annum.

3.3 Variable Remuneration Principles

The variable remuneration in principle depends on the assessment of the performance and development of the individual, and the overall business.

The variable bonus pool is determined by the Board of Managers, following the principles laid down in point 3.1. in the Q4 Board meeting for the respective fiscal year. Nevertheless, in general a variable remuneration is paid only if it is sustainable according to the financial situation of the AIFM as a whole. The AIFM does not intend to distribute capital as a variable remuneration.

In general, the design and implementation of the AIFM's Policy on variable compensation aims to avoid making a direct link between remuneration and the sale of specific financial instruments/services, and/or of a specific category of financial instruments/services, and/or the entering into of risks outside of the risk profile of the AIFM.

The variable remuneration in general is capped to a maximum of 20% of the gross base salary of the staff concerned unless the Board of Managers decides differently by a discretionary decision and written resolution.

The brackets for the individual maximum remuneration of the staff groups are decided upon on an annual basis by the Board of Managers and can vary year by year. Different brackets exist for Senior Management/ Conducting Officers and the remaining staff, in line with the different levels of duties and responsibilities.

For staff joining during the calendar year a pro-rata calculation within the afore defined brackets can be conducted, at the discretion of the Board of Managers, but by default does not mandatorily or automatically happen.

The payment of a variable remuneration in one year does not guarantee the payment in a subsequent year, and further does not constitute or is intended to, create the impression, legal duty, or obligation for the receipt of a variable remuneration for any (individual) staff. In addition, amounts can vary significantly from year to year, and neither guarantee, nor create the basis for a receipt of the same or a similar amount in a subsequent year, even if the performance valuation result yields the same overall performance assessment.

The AIFM does not defer the payment of a variable remuneration into a different calendar year.

3.4 Discretionary benefits

In addition to the fixed and (potentially) variable remuneration, the AIFM can voluntarily offer further benefits or incentives to its staff, aside individual contractual agreements.

Those discretionary benefits include:

- Pension plan, including life insurance (for further details please refer to the dedicated policy and insurance contract);
- Company car for the Senior Management/ Conducting Officers (for further details please refer to the dedicated policy);
- Parking place (subsidy); and
- Lunch vouchers.

The provision of working materials (such as laptops or mobile phones) which are to be used for the completion of an staff's professional services, are not considered to be benefits or non-monetary remunerations in the sense of this Policy.

In certain circumstances, please refer to point 3.6, the AIFM reserves the right not to offer (all or individual) of the afore mentioned voluntary benefits, if they were not contractually guaranteed.

3.5 Other long-term incentives

The AIFM does not support long-term incentives in the form of carried interest or other similar forms, including, but not being limited to, equity shares or equity options, and does not offer such possibilities and/or instruments.

3.6 Exceptions

3.6.1 Special Leave Conditions

Staff who have unilaterally terminated their employment relationship or have been dismissed for fault or dismissed by way of dismissal without notice period, are not eligible to the payment of a variable compensation.

3.6.2 Long-term absence

Staff members which are on a long-term absence (including, but not being limited to long-term sickness and maternity leave) during a calendar year might be in scope of the variable remuneration process. One of the decisions criteria, along with other criteria like local rules and regulations, in the assessment is the assessment if they were presented long enough to sufficiently appraise their performance. However, the decision is at the discretion of the Board of Managers, with the support of the Senior Management/Conducting Officers.

4 Performance Evaluation

4.1 General

The performance of the staff in scope (for further details please refer to point 3.1) is formally appraised annually through a standardized and companywide used template (hereinafter "**template**", for further details please refer to Annex II).

Upon request of the staff an additional semi-annual meeting can be held, providing an indication of the current performance and trend towards the formal annual appraisal. The purpose of this meeting is giving direction to staff, and, if applicable, help clarifying expectations and further elaborate on the path going forward. It should be noted that this is an optional meeting, and neither does it not constitute an integral part of the formal appraisal process, nor does it have an impact on the remuneration.

The final appraisal meeting is commonly taking place between the end of the fiscal year of the AIFM, and the decision of the Board of Managers on the variable remuneration for the year in scope.

The evaluation of objectives and targets is always between the Senior Manager/Conducting Officer (hereafter "**Appraiser**") in charge (line and/or matrix) and the staff and shall be conducted in an objective and transparent manner.

The evaluation is performed and documented through the template, and finally signed by the staff and the Appraiser. In the event of a (material) disagreement between the staff and appraiser, an escalation to HR is possible for further review and/or action.

The annual template is added to the HR file of the respective staff, and retained for the regulatory required period.

As a general remark, the AIFM is reviewing the form on a recurring basis, to ensure that the assessment considers and fairly reflects the short- and long-term goals of the AIFM and staff conduct and is a suitable tool to reach them.

4.2 Result

Within the form itself the assessment objects consist of an appropriate balance of quantitative and qualitative criteria, leading to an overall performance assessment on a standardised scale. This result is one component of the discretionary decision-making process.

4.3 Bonus decision

The final amount attributed to the staff is a result of the bracket decided by the Board of Managers (for further please refer to point 3.3), the result of the performance evaluation (including the minimum threshold for eligibility), and the discretionary decision of the Senior Manager/Conducting Officer in charge.

In line with general principles (for further details please refer to point 3.1), the amount is capped and floored, and overall subject to further internal rules (for further details please refer to point 3, and in particular point 3.3).

The payment of the bonus is done at the earliest convenience of the AIFM. Following the decision of the Board of Managers, and the performance evaluation, and discretionary decision of the Senior Manager/Conducting Officer in charge, the AIFM strives to pay any attributed amount within the next regular payment cycle. However, this is only done on a best effort, and the AIFM reserves the right to delay the payment without any further justification, as long as the payment takes ultimately place in the same year.

5 Information Disclosure

This Policy is available upon request to third parties at the registered office of the AIFM and any material changes to this Policy will also be made available in the same manner. For the staff the Policy is available permanently in a dedicated folder, and any updated version will be saved in the same destination.

The main information contained in this Policy is as well available in the financial statement of the AIFs under management. Such external disclosure shall reflect:

- The total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF; and
- The aggregate amount of remuneration broken down by Senior Management/Conducting Officer and staff members of the AIFM whose actions have a material impact on the risk profile of the AIF.

Such disclosure requirements under Article 22(2)(e) of the AIFMD also apply to the staff of the delegate of an AIFM to whom portfolio management activities have been delegated and can be provided on an

aggregate basis i.e. by means of a total amount for all the delegates of the AIFM in relation to the relevant AIF.

6 Review, Maintenance and Amendment

The Policy may be updated from time to time. The Internal Audit function regularly reviews the proper compliance of the individual teams/departments involved in with this Policy.

The Senior Management/Conducting Officers shall review this policy and effective arrangements at least on an annual basis and consider on an ad hoc basis any findings and recommendations of the Internal Audit function or Compliance.

There are 3 categories of amendment to this Policy which are subject to the following levels of approval authority.


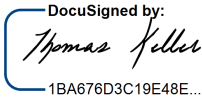
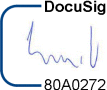
Table 6-1 Levels of Amendment and Approval

Level	Description	Authority
1	Minor typographical, numerical or consequential changes not affecting the policy/handbook framework.	The team responsible of the Policy; and The Compliance team
2	Changes to processes or procedures not changing the overall framework of the policy/handbook.	The Permanent Compliance Officer; The Permanent Internal Auditor; and The Senior Management/Conducting Officers
3	Significant permanent changes to the overall framework of the policy/handbook	The Governing Body

7 Document - Authorisation | Approval

The Board of Managers of the AIFM is responsible for the establishment of and oversight over the proper business organization required to implement and execute this Policy in the best interest of the investors.

This Policy and the Procedures detailed above were agreed and minuted at a meeting of the Board of Managers of the AIFM on 2024-02-27

Name	Signature	Date
Stefan Honecker	 C80D4365BA4543B...	01-03-2024
Thomas Keller	 1BA676D3C19E48E...	29-02-2024
Alexander Endrikat	 80A0272856084EB...	01-03-2024

Annex I Proportionality assessment



Annex II Performance Management template

