

REMUNERATION POLICY

Document type	Luxembourg policy
Application	Identified staff
Owner/author	Compliance
Sponsor	Compliance
Publication date	November 2023
Next review date	November 2024
Version	[4.0]

OVERVIEW

The Policy aims to discourage excessive risk taking by the Identified Staff while exercising their duties and ensure that the practices are consistent with the Company's business strategy, objectives, values and interests, sustainability of investments, as well as the interests of the funds it manages, and those of the investors in such funds.

Policy changes

Version	Responsible	Change
November 2023	Compliance	Annual review and update
November 2022	Compliance	Formatting Annual review and update
April 2021	Compliance	Annual review and update
December 2020	Compliance	Annual review and update
June 2019	Compliance	Change of address
June 2017	Compliance	Annual review and update
June 2016	Compliance	First version

1. Scope and application

The remuneration policy (the “**Policy**”) of Gen II Management Company (Luxembourg) SARL (the “**Company**”) establishes a remuneration system for Identified Staff (defined below in section 2.1) of the Company in order to manage conflicts of interest and is in line with the Company’s sound and proper risk management.

The Company is a management company whose business activities are governed by (i) the provisions of Chapter 15 of the Law of December 20, 2010 on undertakings for collective investment (the “**UCI Law**”), since CSSF approval as of December 27, 2012; (ii) the Alternative Investment Fund Manager Directive (the “**AIFMD**”), as implemented in Luxembourg by the AIFMD Law, since CSSF approval as of January 18, 2014, and (iii) Article 14 of the European Regulation n° 345/2013 of April 17, 2013 on European venture capital funds (The “**EuVECA**”), since CSSF approval as of August 7, 2015.

The Policy is designed to fulfil the requirements of (i) the Commission de Surveillance du Secteur Financier (the “**CSSF**”) CSSF including, but not limited to, its Circular 18/698 and 10/437 (and specifically, Point 2.16 of that Circular), on the guidelines concerning the remuneration policies in the financial sector, issued on February 1, 2010, (ii) the Annex II of the July 15, 2013 Law on alternative investment fund managers (the “**AIFMD Law**”) and (iii) the European Securities and Markets Authority’s Guidelines on sound remuneration policies under the UCITS Directive (ESMA Guidelines 2016/575) and AIFMD 2016-411 (ESMA Guidelines 2016/579), (the “**ESMA Guidelines**”), while taking into consideration Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, CSSF Regulation 10-04 as amended by CSSF Regulation No 22-05 (the “**Regulation 10-04**”), the Law of 12 November 2004 on the fight against money laundering and terrorist financing, and related regulation (the “**AML Law**”), CSSF Regulation N° 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing.

The Policy is applicable to all Identified Staff (defined below in section 4.1).

2. Purpose

The Policy aims to discourage excessive risk taking by the Identified Staff while exercising their duties and ensure that the practices are consistent with the Company’s business strategy, objectives, values and interests, sustainability of investments, as well as the interests of the funds it manages, and those of the investors in such funds. The Policy encourages the Identified Staff to maintain a sound financial situation and to avoid any conflicts of interest. In case the Company delegates the portfolio management of UCITS or AIFs under its management to third parties, the Company shall take appropriate oversight measures to ensure that such third parties apply equivalent remuneration policies.

The implementation of the Policy will be reviewed annually by the Company’s Head of Legal and Compliance and any change to it will be submitted for the approval of the Company’s board of directors (supervisory function). Such review will also be verified by the Company’s internal auditors (the “**Internal Auditors**”) and incorporated into their annual report. The annual report will be submitted to the board of directors of the Company and made available to the CSSF.

3. Policy

3.1 Identified Staff

The Company has identified the following staff within the scope of the definition of Identified Staff for the purpose of this Policy:

- Members of the board of directors of the Company (the “**Board of Directors**”);
- Conducting Officers of the Company;

- The control functions (staff responsible for the risk management, internal audit and compliance functions):
 - The Conducting Officers in Charge of Risk Management and the Conducting Officer in charge of Compliance have been included in the identified staff category, as part of the control function;
 - The internal audit function is provided by an external service provider pursuant to a service contract with the Internal Auditors. The Internal Auditors are not employed by the Company and receive a fixed remuneration only based on the service contract terms.

The Company confirms that the Identified Staff of the control functions are independent from the business units they supervise and have appropriate powers and resources to control the risks associated with the Company's remuneration policies. Bonuses paid to Identified Staff of the control functions are based on performance linked to their positions, independently from the result in the controlled business units.

3.2. Remuneration committee

Gen II Group (the “**Group**”) has established the Remuneration and Senior Appointments Committee (“**RemCo**” or the “**Committee**”) on behalf of the Identified Staff of all Group entities, which determines the compensation for Identified Staff as well as overall employees’ compensation programmes, the levels and degrees of participation in incentive compensation programmes or equity-based incentive plans, and oversees management’s progress in employee development, relations and succession.

The Committee meets as often as it determines necessary, but not less frequently than three times per year.

3.3. Structure of the remuneration

The potential total remuneration of Identified Staff is composed of a fixed component and may be composed of a variable component. The Compensation of the members of the administrative and management bodies is fixed by the Board of Directors.

The Company applies the following structure to the remuneration system:

3.3.1. Fixed and variable compensation

The fixed component of the total compensation of each individual (the “Salary”) will always be larger than its variable component (hereinafter the “Bonus(es)”), which in no circumstances will amount to more than 25% of the Salary;

The Company grants to the Identified Staff lunch vouchers, mobile phones, supplementary health insurance and an occupational pension scheme, which is contributed to by both the Company and the Identified Staff. In certain circumstances, the Company, as part of its remuneration, may provide a Company car to be used by the Identified Staff. In providing a Company car, the Identified Staff warrants that this is in no linked to the Funds managed by the Company. All these forms of remuneration are part of the general, non-discretionary Company-wide policy and pose no incentive in terms of risk assumption;

The Identified Staff are eligible for Bonuses that are granted on a discretionary basis only – thus depending both on (i) the performance of the Company (sound financial situation) and (ii) the performance of the relevant individual (taking into account the appraisal process referenced in the section 4.3. of the Policy), which may be comprised of cash, securities or shares (payable over a fixed period of time) in the Company, or both cash and securities.

Bonuses are not comprised of units or shares of the funds it manages, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments and thus the Company does not apply section (m) of Annex II.1 of the AIFMD Law. Guaranteed bonuses are only by granted to new hires of Identified Staff and exclusively in respect of their first year of employment with the Company.

Where a significant bonus is awarded, the main part of the bonus shall be deferred with a minimum deferral period. The deferred amount shall be determined in relation to the total amount of the bonus as compared to the total amount of the remuneration.

The payment of variable remuneration through vehicles or methods that may facilitate the avoidance of the legal requirements is forbidden.

3.3.2. Remuneration of the Board of Directors

The Board of Directors is not entitled to any variable remuneration for their work as members of the Board of Directors.

Members of the Board of Directors who are not employed by the Company but are instead employed by another company within the Crestbridge Group are not entitled to any remuneration from the Company, fixed or variable.

3.3.3. Early termination of identified staff

In the event of the early termination of an Identified Staff's employment contract, the individual concerned will only be entitled to his/her Salary, in accordance with the provisions of the employment contract and the relevant labour law regime. Bonuses are not granted in the event of early termination.

3.4. Appraisal process within the company

Where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment of the long-term performance of the individual settled in a multi-year framework, of the business unit concerned and of

the overall results of the Company, taking into consideration the cost of the capital employed and the liquidity required.

Such assessment includes qualitative and quantitative criteria, as described below, and considers all the relevant types of current and future risks associated with the performance to which it is related, appreciated through a dedicated performance appraisal held on a yearly basis for all employees.

- a) Qualitative criteria: Assesses the quality of the relevant person's performance;
- b) Quantitative criteria: Numeric or financial data that is used to determine the remuneration of the relevant person.

In case where bonus is awarded based on the employee's performance which was subsequently proven as fraudulent, the Board of Director shall require the employee to repay all or part of the bonus.

3.5. SFDR impacts

As prescribed by the Sustainable Finance Disclosure Regulation (EU) 2019/2088, adopted by the European Parliament on November 27, 2019, the Company ensures when performing its activities as AIFM/management company that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks.

In this context, the Policy is consistent with the integration of sustainability risks and promotes sound and effective risk management.

The Policy does not encourage risk-taking which is inconsistent with the risk profile and the rules instruments of the underlying funds managed.

3.6. Review and disclosure of the policy

3.6.1. Governance

The Board of Directors in its supervisory function approves and annually reviews the Policy and oversees its implementation. The review and approval shall only be undertaken by members of the Board of Directors who do not perform any executive function in the Company and who have expertise in risk management and remuneration.

The Conducting Officers of the Company are in charge of ensuring that the Policy is duly implemented.

The control functions have been involved in the construction and maintenance of this Policy. The risk management function assesses how the variable remuneration structure affects the risk profile of the Company.

The implementation of the Policy will be subject at least periodically to an independent review performed by an independent control function.

In this context, the review will be conducted by the Internal Auditors.

The Compliance Function analyses how the remuneration structure affects the Company's compliance with the relevant legislation, regulation and internal policies and ensures that the review of the Policy is included in the Internal Audit Triennial Plan.

3.6.2. Disclosure

The Policy is part of Company's policies and procedures and, as such the main principles apply to all categories of staff. The Policy is all times accessible to all Company staff.

The staff is regularly informed via the internal written rules about their remuneration, the criteria used to measure their performance and the link between performance and pay.

The Policy is also disclosed on the [Company's website](#):

4. Consequences

Failure to comply with this Policy, the Group's Code of Conduct and Ethics or other related policies, procedures, laws, and regulations applicable to your role, will be viewed as a serious breach of your employment and may result in disciplinary action, up to an including termination of employment.

5. Derogations

Any requests for derogation from this policy must be submitted to the Group Policy and Procedures Committee (policy@gen2fund.com).

Definitions	
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
AIFMD Law	Law of July 15, 2013 Law on alternative investment fund managers
Board of Directors	Members of the board of directors of Gen II Management Company (Luxembourg) SARL
Bonus(es)	Variable component of the total compensation of each individual
Company	Gen II Management Company (Luxembourg) SARL
CSSF	Commission de Surveillance du Secteur Financier
ESMA Guidelines	The European Securities and Markets Authority's Guidelines on sound remuneration policies under the UCITS Directive (ESMA Guidelines 2016/575) and AIFMD 2016-411 (ESMA Guidelines 2016/579)
EuVECA	European Regulation n° 345/2013 of April 17, 2013 on European venture capital funds
Internal Auditors	Gen II Management Company (Luxembourg) SARL's internal auditors
Policy	Remuneration Policy
Salary	The fixed component of the total compensation of each individual
UCI Law	Law of December 20, 2010 on undertakings for collective investment

Well-run funds.

Gen II

This document and its contents are confidential and proprietary to Gen II, and may not be circulated to anyone without the prior consent of Gen II. They are for information only, are not contractually binding and therefore do not create an obligation on Gen II to deliver any product or service that may be described in this document. They do not constitute legal, tax, compliance, regulatory or investment advice or a recommendation. Gen II assumes no responsibility or liability for any errors or omissions in this document and its contents. The information contained in this document is provided "as is" with no guarantees of completeness, accuracy, usefulness or timeliness.

Gen II (Jersey) Limited and Affiliation Members are regulated by the Jersey Financial Services Commission. Gen II Fund Services (Luxembourg) SARL is regulated by the Commission de Surveillance du Secteur Financier as Professional of the Financial Sector. Gen II Management Company (Luxembourg) SARL is regulated by the Commission de Surveillance du Secteur Financier as Management Company and Alternative Investment Fund Manager and EuVECA Manager. Gen II Fund Services (UK) Limited – Authorised and regulated by the Financial Conduct Authority. Gen II Management Company (UK) Limited - Authorised and regulated by the Financial Conduct Authority. Gen II Corporate Services (Ireland) Limited – Authorised Trust or Company Service Provider by the Department of Justice in Ireland. Gen II Nominee Services (Ireland) Limited – Authorised Trust or Company Service Provider by the Department of Justice in Ireland. Gen II Fund Services (Ireland) Limited – Regulated by the Central Bank of Ireland. Authorised as an Investment Business Firm under Section 10 of the Investment Intermediaries Act, 1995 (as amended).