



Remuneration Policy

April 2025

<h1>Remuneration Policy</h1>	
<p>Outline: Remuneration policy</p>	<p>Prepared by : Rachel McCorduck, Global Head of Talent</p>
<p><u>Legal references :</u></p> <ul style="list-style-type: none"> - International <p>EBA guidelines on sound remuneration policies</p> <p>Annex II of the July 15, 2013 Law on alternative investment fund managers (the “AIFMD Law”)</p> <p>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</p> <ul style="list-style-type: none"> - <u>Luxembourg</u> <p>CSSF Circular 10/437</p> <p>CSSF Regulation 10-04 as amended by CSSF Regulation No 22-05 (the “Regulation 10-04”)</p>	
<p><u>Perimeter implemented:</u></p> <p>Gen II Management Company (Luxembourg) SARL ☒</p>	
<p><u>Version :</u> 2025/1</p>	<p>Owner: Rachel McCorduck, Global Head of Talent</p>
<p><u>Adopted by:</u> The Executive Committee has approved this policy on 25/04/2025 and the Board of Managers on 19/06/2025.</p>	

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I. Glossary

C.

Circular:

The term “Circular” refers to the CSSF circular 10/437 of 1st February 2010 on the guidelines concerning the remuneration policies in the financial sector.

Control Functions:

The term “Control Functions” shall mean the units within GenIIMC that monitor and control the units that originate business. These include, in particular, the risk management, compliance, the human resources and internal audit functions.

CSSF:

The term “CSSF” refers to the “*Commission de Surveillance du Secteur Financier*”, the regulatory authority in charge of the financial sector in Luxembourg.

F.

Fixed remuneration:

The term “fixed remuneration” shall mean the overall fixed annual remuneration, as defined in Section 5) below, which is paid through: monthly payments for each of the twelve months of the relevant calendar year or for the corresponding number of months if employment of the relevant member of staff started or ceased during the relevant calendar year and, if relevant.

G.

Gen II Group:

The term “Gen II Group” refers to the GenII global corporation and affiliated companies.

The term “Global Executive Committee” in this policy refers to the Global CEO, the Global CFO, and the Global Head of People.

The term “GenIIMC” refers to Gen II Management Company (Luxembourg) SARL

I.

Identified Staff:

The term “Identified Staff” refers to any employees, who are members of the administrative and management bodies of GenIIMC as well as those categories of staff whose professional activities have a material impact on GenIIMC’s risk profile. This includes:

- Executive members of the Board of Managers of GenIIMC
- Members of the Authorised Management of GenIIMC
- at the discretion of the Board of Managers, this may apply to other members of staff who do not fall under the categories above but who:
 - are likely to have significant influence with regard to the risk profile of GenIIMC
 - receive a high level of total remuneration in absolute terms, or compared with members of senior management and risk takers
 - may be the subject of legal or regulatory requirements.

L.

LFS:

The term “LFS” refers to the law of 5 April 1993 on the financial sector, as amended from time to time.

R.

Remuneration:

The term “Remuneration” shall mean all monetary or monetarily measurable ancillary benefits (contractually agreed benefits such as relocation allowances, housing support, education allowances, company car, health insurance, etc. as well as other benefits) of any kind, as defined in Section 3 that the staff members receive for the performance of their professional duties.

Remuneration Committee:

The Remuneration Committee is composed of the Head of GenIIMC, the Country Head - Luxembourg and the Country Head of HR and its role is to review and validate employee annual bonus awards and salary adjustments.

T.

Total Annual Remuneration:

The term “Total Annual Remuneration” refers to the sum of the Fixed and the Variable Remuneration.

V.

Variable Remuneration:

The term “Variable Remuneration” refers to the portion of Remuneration, the awarding or amount of which is at GenIIMC’s discretion, under the conditions set out in Section 5 below.

II. Introduction

This Remuneration Policy applies to the Identified Staff of GenIIMC and it aims at aligning their personal objectives with the long-term interests of GenIIMC.

This Remuneration Policy is designed to be consistent with and promote sound and effective risk management, and not to induce excessive risks taking by the Identified Staff within GenIIMC.

This policy is in line with GenIIMC's strategy, objectives, values, and long-term interests, such as sustainable growth, and is consistent with the principles relating to the protection of clients and investors in the course of services provided.

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.

GenIIMC's Remuneration Policy was drawn up in accordance with the Circular. This Circular is applicable to all entities, legal and natural persons, subject to the CSSF's prudential supervision, including their branches set up abroad as well as to the branches of similar entities set up in Luxembourg whose registered office or central administration is located outside the European Economic Area and, therefore, applies to GenIIMC.

In accordance with §1.2 of the Circular, the Remuneration Policy covers the remuneration of the Identified Staff. The policy also takes into account the size as well as the specific scope of GenIIMC activities.

The Circular aims at improving the taking, managing and controlling of risks within financial institutions by defining guidelines on the structure of remunerations and on the process of drawing up and setting up remuneration policies.

The Board of Managers of GenIIMC is the owner of the present Remuneration Policy. It has decided on its design and implementation and is responsible for the regular review of the remuneration policy with the assistance of the Control Functions.

According to section 2.17 of the Circular, it is the responsibility of the Board of Managers to adopt and periodically review the general remuneration policy principles and to oversee its implementation.

Accordingly, this document, which sets out the Remuneration Policy for GenIIMC's Identified Staff, is subject to the approval by the Board of Managers of GenIIMC.

III. Proportionality principle

The Remuneration Policy and the subsequent measures have been drafted to be appropriate to GenIIMC size, internal organization, the nature, the scope and complexity of GenIIMC's activities.

This Remuneration Policy is in line with the business strategy, the objective, the value and the interests of GenIIMC and includes appropriate measures to avoid conflicts of interest.

GenIIMC has decided to apply the proportionality principle on the basis of its size, its organization and the nature, scope and complexity of its activities therefore, the following requirements are not applied:

- Retention;
- Deferral; and
- Ex post incorporation of risk for variable remuneration

Indeed, taken into consideration the number of staff and the type of services provided, it is concluded that GenIIMC has a non-complex and limited activity.

IV. Scope

The Remuneration Policy applies to the Identified Staff of GenIIMC.

The professionals of GenIIMC, who are to form part of the Identified Staff, shall be identified and designated by the Board of Managers.

GenIIMC shall keep a record of the assessment performed and of the personnel whose professional activities have been identified as activities with a material impact on the risk profile of GenIIMC, in order to enable the competent authority and auditors to review the assessment.

V. Remuneration Policy structure

In accordance with §2.3 of the CSSF circular 10/437, *“where remuneration includes a variable component or a bonus, granted in accordance with performance criteria, the remuneration policy shall be structured with an appropriate balance of fixed and variable remuneration components. The appropriate balance of remuneration components may vary across staff members, according to market conditions and the specific context in which the financial undertaking operates. The remuneration policy of a financial undertaking shall set a maximum limit on the variable component.”*

The Identified Staff is subject to the following general principles:

- a) the Remuneration Policy promotes sound and effective risk management and which does not induce excessive risk-taking;
- b) Staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements
- c) the Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of GenIIMC, such as sustainable growth prospects, and consistent with the principles relating to the protection of clients and investors in the course of services provided;
- d) the Remuneration of those engaged in the performance of the risk management function will reflect the achievement of the objectives linked to the risk management function, independently of the performance of the business area in which they are engaged;
- e) the independence of the Control Functions is safeguarded by ensuring that the Remuneration of relevant individuals is not linked directly to the performance of the business area they control, is in accordance with objectives linked to their functions and is determined by the Remuneration Committee;
- f) the Remuneration Policy makes a clear distinction between criteria for setting:

- basic fixed remuneration, which should primarily reflect relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment; and
- variable remuneration which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment.

VI. Description of the Remuneration of the Identified Staff

The remuneration of Identified Staff consists of fixed remuneration and variable remuneration. The composition and the amount of total remuneration are reviewed each year, ensuring that there is a fair balance between its components.

Fixed Remuneration

The fixed remuneration (base salary) is paid monthly and is composed of a basic monthly remuneration, which does not take into consideration performance criteria. The fixed part is determined on the basis of the employee's responsibilities within GenIIMC and their professional experience, not their performance. The main component of the fixed remuneration shall be a base-salary consisting in a fixed amount of cash paid on a monthly basis, before the end of each month for which it is due.

The base salary will be determined by the Remuneration Committee for all staff up to and including Associate Director. For the Identified Staff, the base salary is determined by the Global Executive Committee.

Additional benefits

Identified Staff are eligible for the general benefits established for the employees of GenIIMC, which is geared toward providing a competitive range of welfare benefits.

Members of the Board of Managers form part, as the insured, of the Directors & Officers Insurance policy for GenIIMC's executives, to cover any liability they may incur as a result of the discharge of their duties; all subject to the scope defined in the relevant policies arranged.

Other benefits, the most common of which relates to the supplementary pension scheme, are also granted. The pension scheme is a regulated plan and has no discretionary aspect. It is the result of the strict application of formulae defined in the plan regulations, which are issued to all employees.

The fixed part of the remuneration is reviewed each year but is not necessarily revised.

Variable Remuneration

The Variable Remuneration depends on:

- the extent to which all of the objectives set in the individual's annual appraisal have been met,
- GenIIMC and Gen II Group's performances
- GenIIMC and Gen II Group's sustainability

Performance objectives are fixed at the beginning of each year by management (at a business level) and manager / employee (at team and personal level). The Variable Remuneration will only be paid if it is sustainable according to the financial situation of GenIIMC as a whole and justified according to the performance of GenIIMC and the individual Gen II Management Company (Luxembourg) SARL – Remuneration Policy

concerned.

Variable Remuneration is based on an annual assessment of performance for each Identified Staff and determined by the commitment and results obtained in fulfilling business strategy at the level of his/her responsibilities and taking into account performance of the same over a period of up to 3 years, as applicable based on date of employment. the previous period. It also takes into account the performance of the business unit to which the relevant Identified Staff belongs as well as the overall results of GenIIMC. The granting of such a discretionary Variable Remuneration is not a contractual right for the Identified Staff.

An appropriate balance between fixed and variable remuneration components will be respected for all employees covered by this Remuneration Policy.

Based on the proportionality principle, GenIIMC will not defer the Variable Remuneration.

Variable Remuneration shall be paid via means which are in conformance with the requirements of point 1(r) of Law of 12/07/2013 - Annex II, as may be amended.

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.

Long-term instrument based incentives

Some of the Identified Staff members who are granted Variable Remuneration may receive additional remuneration under a long-term instrument-based incentive plan (hereinafter, LTI), as a multi-year variable remuneration scheme.

The LTI may be structured as a variable remuneration scheme that allows its participants to receive, after a certain period of time has elapsed, an amount in shares or other instruments, or options in such shares or instruments, or in cash, provided certain conditions set forth in the LTI are met.

General bonus budget

Each year, the Board of Managers, following consultation of the Remuneration Committee, which is itself informed by the Global Executive Committee, determines, on a first step and on the basis of the business operations, the overall bonus budget, taking into account all types of current and future risks to which GenIIMC is exposed in accordance with applicable regulatory standards, the cost of the capital and the liquidity required, reflected within the forward-looking Profit & Loss (P&L) statement.

More generally, the Board of Managers, with the assistance of the Remuneration Committee shall ensure that the amount of the proposed overall bonus budget does not limit the ability of GenIIMC to maintain or restore a sound capital base in the long term and is funded through the long-term economic performance of GenIIMC and based on sustainable criteria taking into account future development of performance and risk.

Classification of fixed and variable remuneration components

Each component of the remuneration of the Identified Staff is classified as fixed or variable, there is no third category of remuneration. Remuneration is fixed where the conditions for its award and its amount:

- are based on predetermined criteria;
- are non-discretionary reflecting the level of professional experience and seniority of staff;
- are transparent with respect to the individual amount awarded to the individual staff member;
- are permanent, i.e. maintained over a period tied to the specific role and organisational responsibilities;
- are non-revocable; the permanent amount is only changed via collective bargaining or following renegotiation in line with national criteria on wage setting;

- cannot be reduced, suspended or cancelled by the institution;
- do not provide incentives for risk assumption; and
- do not depend on performance.

Any remuneration that does not comply with the definition of a Fixed Remuneration is a Variable Remuneration. Variable Remuneration of Staff shall be limited to not more than 100% of Fixed Remuneration. Any exception to this shall be governed in accordance with the duties of the Board of Managers, as described below in section A.a

VII. Payment

Any Variable Remuneration awarded is paid no later than 31st March the year following the performance period, and subject to the following:

- The employee is still employed by GenIIMC and that he/she is not in a notice period (following the termination of the employment agreement, regardless of the cause) at the date of payment;
- The employee will repay the Variable Remuneration, if performance relating to the period is subsequently found to be fraudulent.

VIII. Performance review

Performance is reviewed through ongoing 'check in' meetings during the year, with a formal performance review carried out in December based on the full year performance. The review is based on:

- A combination of employee performance, their functional contribution, and the performance and financial situation of GenIIMC
- Respect of internal rules and policies, and the corporate values (e.g. code of conduct, manual of procedures, guiding behaviors, etc.)
- Compliance with GenIIMC systems and mechanisms of control (compliance, risk management)
- Compliance with the standards governing the relationship with clients and investors

According to the Circular, the amount of Variable Remuneration of the Identified Staff belonging to Control Functions is never linked to the performance of the business units they monitor but to the carrying of their specific responsibilities so as to avoid conflicts of interest.

Members exercising Control Functions must be remunerated according to the attainment of objectives related to their functions, irrespective of the business areas they control.

In any case, the Remuneration of Identified Staff belonging to Control Functions shall be predominantly fixed in order to guarantee their objectivity and independence.

IX. Conflict of Interest

GenIIMC is committed to avoiding conflicts of interest between the business and external third parties, and between the business and its employees.

A conflict of interest policy has been implemented to help employees identify and handle conflicts of interest. Employees are required to take measures to avoid conflicts where possible, and are given guidelines on how to handle them if they do arise. Please contact the Chief Compliance Officer for any questions relating to Conflict of Interest.

X. Claw Back (ex post risk adjustment)

Subject to applicable law and regulation, GenIIMC reserves **the right to demand full or partial repayment from the individual** who has been awarded Variable Remunerations in the following conditions:

- Fraudulent conduct of staff member; or
- Breach of GenIIMC or CSSF guidelines.

XI. Governance

A. Duties of the Board of Managers

In accordance with the Circular the Board of Managers must adopt and regularly review the general principles of the Remuneration Policy GenIIMC and shall be responsible for overseeing its implementation. The Board of Managers has put in place a Remuneration Committee comprising of the the Head of GenIIMC, the Country Head - Luxembourg and the Country Head of HR to oversee the individual detail of performance management and remuneration.

GenIIMC's Board of Managers will be responsible within GenIIMC for the following tasks:

- a) approving any exemptions in relation to individual staff members from the principles laid down in this Remuneration Policy;
- b) approving any changes to this Remuneration Policy;
- c) ensuring that this Remuneration Policy and its implementation are in line with GenIIMC's risk framework as well as with GenIIMC's risk and capital structure;
- d) assessing the safeguards in place to ensure that the remuneration principles are applied by GenIIMC in line with GenIIMC's risk assessment and capital levels;
- e) ensuring that the Remuneration Policy serves GenIIMC's long-term interest;
- f) assessing whether performance targets have been reached and adjustment of risk levels where necessary, including the application of *malus* and claw-back arrangements;

When establishing and monitoring the Remuneration Policy, the Board of Managers may base its decisions on the recommendations of the Remuneration Committee. The Remuneration Committee is responsible for drawing up remuneration proposals, in particular for Identified Staff. Such proposals, for both base salary and variable remuneration, shall be reviewed and outcomes determined by the Global Executive Committee stakeholders. The compensation decisions for Identified Staff shall be acknowledged by the Board of Managers of Gen II LS not later than the payment date, as defined above. The Board of Managers shall adopt the Remuneration Policy following consultation with the Remuneration Committee.

This Remuneration Policy and its implementation will be reviewed at least once a year by GenIIMC's Board of Managers.

B. Duties of the Authorized Management

The members of the Authorized Management are responsible for the implementation and follow-up of the Remuneration Policy.

The Board of Managers, along with assistance from the Remuneration Committee, are responsible for determining the remuneration of the members of the administrative and management bodies of GenIIMC.

C. Duties of GenIIMC's Control Function

This Remuneration Policy is reviewed on an annual basis by the Compliance function to ensure its compliance with applicable Luxembourg laws and regulations and with the other policies and procedures approved by the Board of Managers. The Compliance function also analyzes how the Remuneration Policy affects GenIIMC's compliance with applicable legislation and regulations, as well as its internal policies and risk culture.

The Compliance function ensures that all serious and very serious incidents are reported to the Chief People Officer and to the Board of Managers. The Human Resources department may issue recommendations regarding the impact of incidents on the assessment and/or remuneration. In terms of the sanctions imposed as a result of reported incidents, the manager of the employee in question is responsible for making, justifying and documenting a decision.

Any proposal for amendments of this policy shall be presented to the Authorized Management, the Chief People Officer and the Board of Managers in accordance with the approval and review procedures, as well as the procedures for monitoring their implementation.

Per the provisions of the legislation in force, the internal audit department must perform an internal annual evaluation, which shall be central and independent, within the time period, with the scope and according to the requirements envisaged therein.

The Board of Managers shall be provided with the results of this internal evaluation and details of the actions performed to remedy any discrepancies revealed on an annual basis. A copy of this report shall be made available to the CSSF.

XII. Communication

The Remuneration Policy is communicated to all GenIIMC employees and is published on the shared network together with all other approved policies.

Any modification, addition, update or any amendment will be communicated to all employees.

XIII. Appendices

Appendix 1 – Date of previous adoption

DATE	BOARD OF MANAGERS	DESCRIPTION OF AMENDMENTS	VERSION
24/04/2025	Fully Revised	Transition to a policy aligned to Gen II group and transitioned from the formerly applicable Crestbridge Group Policy, V4.0 as adopted. It is noted that the legal entity has had prior policies in force since June of 2016.	2025/01

Appendix 2 – Performance Management Principles

- Consistent guiding behaviors and framework across the firm
- Objectives driven by business / team goals and personal development
- Rating process in place to link performance with year-end compensation process
- The process is balanced in assessing the quantitative (results / objectives) and qualitative (guiding behaviors) criteria
- Regular check-ins during the year address concerns real time, leaving the year end formal appraisal as a wrap up of previous discussions