



Aztec AIFM Services S.A.

Remuneration Policy

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AZTEC
GROUP

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About this document

1.1 Purpose of the Policy

[Company] (the "AIFM") is an alternative investment fund manager authorised by the CSSF in Luxembourg under Chapter 2 of the AIFM Law (as defined in 1.2).

The purpose of the AIFM's Remuneration Policy ("Policy") is to describe the Remuneration (as defined in 1.2) practices and to demonstrate its compliance with the relevant legal and regulatory requirements.

The Policy promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the AIFs (as defined in 1.2) managed.

The Remuneration policies and practices shall be designed in such a way so as not to create a conflict of interest or incentive that may lead relevant persons to favor their own interests or the firm's interests to the potential detriment of any client.

The Policy is in line with the interests of the AIFM and the AIFs it manages and the interest of investors of such AIFs in order to avoid conflicts of interest.

The Policy may be amended or updated and any such updates and amendments will be communicated to all relevant staff accordingly.

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1.2 Definitions

Abbreviation	Definition
AIF	Alternative Investment Fund or a sub-fund thereof managed by the AIFM
AIFM	[Company]
AIFM Law	Luxembourg law of 12 July 2013 on alternative investment fund managers as amended
AIFM Regulation	Commission Delegated Regulation (EU) No 231/2013
AIFMD	Directive 2011/61/EU
Board of Directors	The Board of Directors of the AIFM
Collaborator	Any Director, Conducting Officer or Employee
Compliance Officer	The compliance officer of the AIFM
Conducting Officer	A conducting officer of the AIFM
Control Functions	Staff responsible for risk management, compliance, internal audit and similar functions within the AIFM
CSSF	The Luxembourg regulator of the financial sector (Commission de Surveillance du Secteur Financier)
CSSF Circular 10/437	CSSF 10/437 circular on Guidelines concerning the remuneration policies in the financial sector
CSSF Circular 18/698	CSSF 18/698 circular on authorisation and organisation of Luxembourg Investment Fund Managers
Delegation of Functions Policy	The delegation of functions policy of the AIFM
Employee	AIFM Employees, Employees of Group companies seconded to the AIFM and certain temporary Employees
ESMA Guidelines	ESMA Guidelines 2016/579 on sound Remuneration policies under AIFMD
Group	One or more entities of the AIFM's group
Identified Staff	Categories of staff, including senior management, risk takers, Control Functions and any Employee receiving total Remuneration that takes them into the same Remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages.
Director	Member of the Board of Directors
Policy	Remuneration Policy
Remuneration	Includes all forms of financial and non-financial benefits or payments provided directly or indirectly by the AIFM to its Collaborators, such as

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Abbreviation	Definition
	cash, shares, options, cancellations of loans at dismissal, pension contributions, Remuneration by third parties for instance through carried interest models, wages increase or promotions, health insurance, discounts or special allowances, generous expense accounts.
Risk Manager	The risk manager of the AIFM
Senior Management	Means the persons who effectively conduct the business of the AIFM within the meaning of article 7(1)(c) of the AIFM Law

1.3 Scope of the Policy

This Policy deals with the determination of the Remuneration aspects and identification of people/delegates that are subject to the provisions of the Policy.

1.4 Governance, Additions, Amendments and Abolishment

- This Policy has been issued and approved by the Board of Directors and the Senior Management.
- The Board of Directors is responsible for the adequacy and appropriate overall implementation of the Policy.
- The Board of Directors is responsible for the approval of any associated procedures required in order to implement this Policy.
- This Policy is updated on a regular basis – or as required on an ad hoc basis – by the AIFM's Compliance Officer taking into consideration the AIFM's evolution, services rendered by group entities and any regulatory changes.
- The Control Functions have been involved in the elaboration of this Policy. They have an active role in the design, ongoing oversight and review of the Remuneration policies for other business areas. They should assist in determining the overall Remuneration strategy applicable to the AIFM, having regard to the promotion of effective risk management.
- The implementation of the Policy will be subject, at least on an annual basis, to a central and independent internal review for compliance. The outcomes of this review will be reported to the Board of Directors.
- Additions, revisions, amendments and abolishment of this Policy are to be approved by the Board of Directors and the Senior Management.
- This Policy is to be reviewed at least annually by the Board of Directors.
- The Compliance Officer will document all such revisions and amendments to this Policy.
- Further, any change to this Policy will be made available to the AIFM's Collaborators and retained at its registered office.

1.5 Person in charge of the Remuneration Policy

The Compliance Officer is responsible for this Policy.

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1.6 Entry into force

This Policy is effective upon its adoption by the Board of Directors.

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Specific remuneration provisions for delegated activities under AIFMD

The AIFM ensures that the entities to which portfolio management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those under the AIFM Law.

An appropriate contractual agreement is in place in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines.

As per the ESMA Guidelines stating for delegated portfolio management, the AIFM ensures to receive at least information on the total amount of remuneration for the financial year, split into fixed and variable remuneration (including carried interest if any) paid by the AIF and/or the AIFM to the staff of the delegate.

The AIFM's remuneration structure overview

This Policy is aimed at aligning remuneration with prudent risk-taking.

The AIFM remuneration framework is based on:

- a balance of variable to fixed remuneration;
- the assessment of individual performance;

The AIFM may offer remuneration packages based on the following components:

- Fixed remuneration;
- Variable remuneration;
- Benefits.

The appropriate balance of remuneration components may vary across Collaborators, depending on their functions, activities, seniority and their personal achievements.

[Company] approach to remuneration of the AIFM employees seeks to: (i) align Identified Staff's incentives with long-term success of the AIFM; and (ii) to promote a sound and effective risk management culture, including sustainability risk considerations, to protect the value of the investment portfolio.

3.1 Fixed remuneration (base salary)

Aztec AIFM Services S.A. remunerate the Employees primarily with a salary, i.e. a fixed amount of pay per month. Base salaries are reviewed annually, taking into account indexation, market salary levels (based on surveys), individual performance and promotions.

3.2 Variable remuneration

Variable remuneration, if any is broadly designed to attract, retain and motivate the AIFM's Collaborators without encouraging the taking of inappropriate risks.

Due to the size, complexity and nature of the AIFM's activities, with the exceptions of certain mechanisms,

- no portion of variable remuneration shall be deferred;
- no portion of the variable remuneration shall take the form of shares of the AIFs or other

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instruments;

- no retention period shall be required; and
- no performance adjustment measures ex post will be implemented.

Variable remuneration is not paid through vehicle or methods that are employed at artificially evading the remuneration provisions of the AIFM Law including the outsourcing of professional services to firms that fall outside of the scope of AIFM Law.

Structures that are designed to deliberately circumvent the requirements are not utilized.

The appraisal process overview within the AIFM

Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the AIFM.

Such assessment includes financial and non-financial criteria (i.e. qualitative criteria that reflect compliance with the applicable regulations, the fair treatment of clients and the quality of services provided to clients).

The AIFM does not remunerate or assess the performance of its Collaborators in a way that conflicts with its duty to act in the best interests of its clients.

The measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and futures risks.

Disclosure

5.1 External Disclosure

External disclosure of remuneration elements must be available in AIFMs annual reports according to AIFM Law and AIFM Regulation.

5.2 Internal Disclosure

The Remuneration Policy of the AIFM is made available to Collaborators who are also periodically informed of the assessment criteria utilised.

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