CSC Alternative Investment Fund Management (Ireland) Limited ("the Company ")

REMUNERATION POLICY

Introduction

CSC Alternative Investment Fund Management (Ireland) Limited ("CSCAIFMIL") has established, implemented and maintains this remuneration policy in order to meet the requirements of, and comply with the principles set out in, Schedule 2 to the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended (S.I. No. 257 of 2013) (the "AIFMD Regulations") and ESMA's guidelines on sound remuneration policies under the AIFMD, ESMA/2016/411 (the "Remuneration Guidelines") and ensures that CSCAIFMIL has an appropriate remuneration policy in place which complies with the Remuneration Guidelines.

This remuneration policy applies to those staff whose professional activities have a material impact on CSCAIFMIL's risk profile or the risk profiles of the alternative investment funds ("AIFs") that CSCAIFMIL manages and covers senior management, risk takers, control functions and any employees 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 CSCAIFMIL's risk profile or the risk profiles of the AIFs that CSCAIFMIL manages. This remuneration policy is accordingly consistent with, and seeks to promote, sound and effective risk management and not to encourage risk-taking which is inconsistent with CSCAIFMIL's risk profile or the risk profiles of the AIFs that CSCAIFMIL manages. This remuneration policy includes measures to mitigate conflicts of interest and is in line with CSCAIFMIL's business strategy, objectives, values and long-term interests. This remuneration policy applies to the fixed and variable remuneration received by the identified staff.

If there is a change to CSCAIFMIL's risk appetite, strategy or organisation, appropriate amendments will be made to this remuneration policy to reflect the change.

Business Model

CSCAIFMIL operates an AIFMD delegated model whereby it retains ultimate responsibility for all aspects of management in respect of the AIFs it manages. Where CSCAIFMIL delegates responsibility for portfolio management to a regulated delegate investment manager the Company will retain responsibility for the risk management function of the AIFs that it manages.

The Company operates a business model that charges both fixed and basis point fees to the AIFS to which it is appointed and does not expect to earn performance fees from the AIFs that it manages. Fees will be invoiced on the basis of monetary value; fees will not be earned in the form of stock, units or options in the AIFs that it manages.

In some instances, CSCAIFMIL may provide investment management service to AIFs in the less liquid asset classes of real estate and private equity. In these circumstances the charging structures and restrictions outlined above are also expected to apply.

Where the board of CSCAIFMIL has determined that named persons will be subject to the remuneration guidelines of the firm, due to their status as designated persons, senior management, risk takers or members of relevant committees of the board that have a material impact on CSCAIFMIL's risk profile or the risk profiles of the AIFs that CSCAIFMIL manages, subject to industry guidance, their remuneration or relevant portion thereof will be disclosed as required by applicable law, in AIF annual reports.

Types of Remuneration Covered

For the for the purposes of this policy, remuneration consists of all forms of payments or benefits paid by CSCAIFMIL or CSCAIFMIL's parent on behalf of CSCAIFMIL, of any amount received from the income generated from the AIFs (including carried interest, transfer of units or shares in the AIFs*) in exchange for professional services provided by CSCAIFMIL rendered by identified staff.

All remuneration has to be categorized as either fixed remuneration or variable remuneration

- **Fixed:** benefits paid without consideration of any performance criteria (e.g. salary, fixed pension contributions, contractual benefits in kind etc.); and
- **Variable:** additional payments or benefits dependent on performance or, in certain cases contractual criteria (e.g. guaranteed bonus paid per contract of employment).

The overall remuneration policy of CSCAIFMIL covers all aspects of remuneration including fixed components and variable components, pension terms and other specific benefits.

Both fixed and variable remuneration includes cash, shares, options, carried interest in CSCAIFMIL or its parent and our group companies and in the AIFs* managed by CSCAIFMIL, or non-monetary benefits such as discounts, special car allowances etc.

* Although carried interest in the AIFs is not the intended model, it is included here as a catch all for the avoidance of any future doubt.

Remuneration Committee

An AIFM that is significant in terms of its size or the size of the AIFs it manages, its internal organisation and the nature, scope and complexity of its activities may be required to form a remuneration committee, being a committee of the board of CSCAIFMIL. The terms of reference of the remuneration committee are to set remuneration guidelines for identified staff and manage conflicts of interest that may arise as a result of remuneration.

In accordance with the Remuneration Guidelines, an AIFM should assess whether it is significant in terms of its size or the size of the AIFs it manages, its internal organisation and the nature, scope and complexity of its activities in determining whether to disapply the requirement to form a remuneration committee. By way of example, an AIFM may not be required to establish a remuneration committee if:

- the AIFM is managing AIFs with an AUM of Euro 1.25 billion or less; and
- the AIFM has less than 50 employees.

The Remuneration Guidelines provide that AIFMs that fall outside the above thresholds should not be automatically required to set up a remuneration committee. While an AIFM may be considered significant in terms of its size or the size of the AIFs it manages; in order to decide whether or not the AIFM needs to set up a remuneration committee, such AIFM should still assess whether or not it is significant in terms of its internal organisation and the nature, scope and complexity of its activities.

Due to the non-complex nature of CSCAIFMIL's internal structure and the nature, scope and complexity of its activities, it is not considered appropriate to establish a remuneration committee at this time. Accordingly, CSCAIFMIL will avail of the exemption to form a remuneration committee until such time as it is considered that the internal organisation and the nature, scope and complexity of CSCAIFMIL's activities have become significant for the purposes of the Remuneration Guidelines, at which time the board will revisit this issue.

Proportionality

Consistent with the principal of proportionality referred to in Part VII of the Remuneration Guidelines the following payout process requirements in the Remuneration Guidelines have been disapplied:

- variable remuneration in instruments;
- retention;
- deferral; and
- ex post incorporation of risk for variable remuneration.

This disapplication has been made following assessment by CSCAIFMIL of each of the payout process requirements and takes account of specific facts applicable to CSCAIFMIL and is appropriate to CSCAIFMIL's size, internal organisation and the nature, scope and complexity of its activities.

In particular:

If the assets under management was to be judged large in scale, CSCAIFMIL considers that any presumption that the proportionally principle should not apply to CSCAIFMIL would be displaced by consideration of the other factors set out below.

- CSCAIFMIL's internal organisation is straightforward and non-complex and consists of the board of directors and its committees
- CSCAIFMIL has a limited number of identified staff
- CSCAIFMIL is not listed, and the AIFs managed by CSCAIFMIL are not listed on regulated exchanges; and
- CSCAIFMIL's activities are limited to the management of AIFs, and it does not manage UCITS or carry on any other services provided for in Regulation 7(4) of the AIFMD Regulations.

The board will consider the appropriateness of the use of proportionality on an ongoing basis and at least annually as part of the review of this remuneration policy.

Delegation of Investment Management Activities

When delegating portfolio management or risk management activities according to Article 20 of the AIFMD and its implementing measures, CSCAIFMIL is required to ensure that:

- the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the Remuneration Guidelines; or
- appropriate contractual arrangements are put in place with delegate investment managers in order to ensure that there is no circumvention of the remuneration rules set out in the Remuneration Guidelines and these contractual arrangements cover any payments made to the delegate investment manager's identified staff as compensation for the performance of portfolio or risk management activities on behalf of CSCAIFMIL.

It is CSCAIFMIL's responsibility to make each investment manager aware of the above requirements prior to onboarding. As part of the due diligence process, CSCAIFMIL will verify that each regulated entity to which it delegates investment management complies with the above requirements.

Disclosure

Subject to the remuneration requirements of AIFMD, CSCAIFMIL will outline its remuneration policy in summary form in the annual reports of the AIFs that it manages.

Oversight of Implementation of Remuneration Policy

The board of CSCAIFMIL is responsible for providing oversight of the implementation of this remuneration policy in accordance with the Remuneration Guidelines. The board reviews this remuneration policy at least annually.