



REMUNERATION POLICY

Xenon AIFM S.A.

Approved by:	The Board of Directors
Date of Approval:	21/11/2019
Date of previous Approval:	19/09/2019
Date of last review:	24/02/2022 (Board's approval)

TABLE OF CONTENTS

1	DEFINITIONS	3
2	SCOPE OF THE REMUNERATION POLICY	4
3	SUPERVISORY FUNCTION	4
4	IDENTIFIED PERSONS.....	4
5	REMUNERATION PRINCIPLES	5
5.1	Emoluments	5
5.2	Basic salaries	5
5.3	Discretionary bonuses.....	5
6	PERIODICAL REVIEW OF THE REMUNERATION POLICY	6
7	INTERNAL AUDIT EX POST MONITORING	7
8	PERSONAL HEDGING	7
9	FINAL PROVISIONS	7

1. DEFINITIONS

Accrual Period	Period during which the performance of the entitled individuals is assessed and measured for the purposes of determining its remuneration, as further specified in Section 5.3
AIF	Alternative investment fund within the meaning of the AIFM Law and the AIFMD and managed by the AIFM
AIFM	Xenon AIFM S.A. in its capacity as Alternative investment fund manager within the meaning of the AIFM Law and the AIFMD
AIFMD	The Alternative Investment Funds Directive 2011/61/EU
AIFM Law	The law of 12 July 2013 on alternative investment fund managers, implementing the AIFMD in Luxembourg
Board	The board of directors of the AIFM
Compliance Officer	The compliance officer of the AIFM
Conducting Officers	The persons designated as persons responsible for day-to-day management of the AIFM
Control Functions	The internal audit, the compliance and the risk management functions of the AIFM
CSSF	Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority
Identified Persons	The persons and the categories of persons specified in Section 4
Internal Audit	The internal audit function of the AIFM
Managers	The professionals working in any branch



Remuneration Policy	The present document
Remuneration Principles	The principles described in Section 5
Section	A section of the present Remuneration Policy
Supervisory Function	Has the meaning specified in Section 3

2. SCOPE OF THE REMUNERATION POLICY

The scope of the Remuneration Policy is to define the remuneration principles adopted by the AIFM and applicable to the Identified Persons.

The Remuneration Policy aims to avoid any conflict of interests arising out from the Remuneration Principles.

The Remuneration Policy came into force from 12 December 2018, the date on which the AIFM was authorized by the CSSF as AIFM and is periodically reviewed and approved by the Board of Directors of the AIFM.

3. SUPERVISORY FUNCTION

The Supervisory Function is the entity in charge of giving execution to the Remuneration Principles.

The Supervisory Function is represented by Andrea Drescher.

4. IDENTIFIED PERSONS

The Remuneration Policy applies to the following Identified Persons:

- Members of the Board;
- Staff members;
- Control Functions;
- Conducting Officers.
- Managers

The Identified Persons are those professionals that:

- 1) Have a material impact on the profit of the AIFM;
- 2) Have a material impact on the AIFM's risk profiles or the risk profiles of its products.

5. REMUNERATION PRINCIPLES

Based on the size and structure of the AIFM, the Remuneration Policy applies to remuneration of any type paid by the AIFM to the Identified Persons (as defined in point 4 above).

The Remuneration Policy also applies to any amount (if any) paid directly by an AIF, including carried interest, and to any transfer (if any) of units or shares of an AIF, made to the benefits of the Identified Persons.

The remuneration to which the Remuneration Policy shall apply includes, in particular, the following:

- Emoluments;
- Basic salaries;
- Discretionary bonus based on profit & loss overall performance.

5.1. EMOLUMENTS

Emoluments are determined by the Board of Directors of the AIFM and validated by the Shareholders according to its articles of incorporation.

Emoluments are only composed by a fixed amount, without any variable remuneration.

5.2. BASIC SALARIES

Basic salary should reflect:

- The value of the job to the AIFM as determined by the competitive market place;
- Individual performance and contribution;
- The value to the AIFM of the skills and capabilities of the employee;
- Minimum salary levels as set through any collective contractual arrangements, where applicable;
- The role;
- The level of responsibilities given to the employee by the AIFM.

Basic salary progression is based on the sustained performance level of the individual in the role, internal equity and the ability for the business to pay and absorb fixed costs.

Basic salaries of the Conducting Officers are determined by the Board of Directors, having considered the Supervisory Function's opinion.

5.3. DISCRETIONARY BONUS

Discretionary bonuses of the Conducting Officers and of the managers of the branch are performance related.



However, where remuneration would be performance related, the total amount of remuneration will be based on a combination of the assessment of the performance of the individual and of the overall results of the AIFM, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

Remuneration through units or shares of the funds issued/managed by the AIFM is not allowed.

Discretionary bonuses of Control Functions shall be based on the achievement of the objective linked to their functions, independent of the performance of the business areas they control. In any case, such bonuses shall not be linked to the performances of the products issued/managed by the AIFM.

Discretionary bonuses shall not exceed in any case 50% of the gross basic salary. Such percentage may be increased up to 100% of the gross basic salary in case the Control Function is required by the AIFM to carry out activities other than those falling under the control functions.

* * *

In any case, the award of discretionary bonuses shall never lead to a situation where, for example, approving a transaction, making decisions or giving advice on risk and financial control matters could be directly linked to an increase or decrease in their performance-based remuneration.

The right to receive any discretionary bonuses is earned at the end of the Accrual Period which is at least one year. At the end of an Accrual Period (end of the financial year of the AIFM) the Board establishes a “pool” of discretionary bonuses determined on the basis of the financial performance of the AIFM. This pool is then allocated, according to the Remuneration Principles, amongst the Conducting Officers and the Managers. The amount paid as discretionary bonuses cannot exceed the “pool” established by the Board for the relevant year but might be lower.

6. PERIODICAL REVIEW OF THE REMUNERATION POLICY

The Remuneration Policy will be reviewed at least on an annual basis by the Supervisory Function with the cooperation of the Compliance Officer, who will provide the Supervisory Function with their assistance in order to cooperate in granting the ongoing compliance of the Remuneration Principles contained in the Policy with the standards required by the applicable law. Each amendment to the Remuneration Policy shall be approved by the Board of Directors of the AIFM.

The Compliance Officer of the AIFM is also the person in charge of informing promptly the Identified Persons about any amendment to the Remuneration Policy.

In addition, the Supervisory Function ensures that discretionary bonuses, as defined in point 5.3 above, are not paid through vehicles or methods that facilitate the avoidance of the requirements of the AIFM Law and other applicable provisions.

7. INTERNAL AUDIT EX POST MONITORING

The Internal Audit function of the AIFM is in charge of verifying whether the Remuneration Principles set out in the Remuneration Policy have been applied correctly by the AIFM itself. Any breach of the Remuneration Policy shall be reported promptly by the Internal Audit function to the Board of the AIFM.

8. PERSONAL HEDGING

Identified Persons will be prohibited from entering into personal hedging strategies or insurance which compensates them in the event of a downward adjustment in remuneration.

9. FINAL PROVISIONS

Any guaranteed variable remuneration, discretionary pension benefits and “golden parachute” arrangements for the Identified Persons are not allowed.