

Remuneration Policy – Selwood Asset Management (France) SAS Website

i. Remuneration

Selwood Asset Management (France) SAS's (the "Company") remuneration policy aims to promote sound and effective risk management that is compatible with the risk profiles of the UCITS and AIFs the Company manages. This system is put in place to ensure the best possible alignment of the interests of the Company, its employees, and the subscribers of the UCITS vehicles and AIFs.

ii. Calculation of remuneration

All employees receive fixed compensation and may receive variable compensation. The variable compensation is based on performance measurement indicators related to the various functions within the Company. It incorporates quantitative and qualitative elements and will depend on the individual achievement of predefined objectives and the Company's overall performance.

The Company has defined "risk-taking" employees, such as senior executive management, risk management, portfolio managers and the RCCI. The types of remuneration paid by the Company to these employees include a fixed annual salary (payable monthly) and variable compensation based on quantitative and qualitative criteria including the employee's involvement in the Company's development, the Company's results, and the employee's involvement in the overall risk-management system.

iii. Principle of Proportionality

Asset management companies such as the Company can apply the principle of proportionality set out in Part 7 of ESMA position 2016/575-FR of 14/10/2016 concerning variable compensation in the form of financial instruments, retention, carry-over, risk incorporation and the establishment of a formal remuneration committee.

Under this principle of proportionality, the Company has elected to not set up a formal compensation committee. However, the remuneration process is overseen by the Executive Committee. The terms and conditions of the employee's remuneration is proposed by their line manager and subsequently validated by the Executive Committee.

Moreover, the Company intends to further benefit from the proportionality principle in order not to implement the obligation of deferring 40% variable pay for 3-5 years and deferring 50% of variable pay into investment in financial instruments managed by the Company ("thresholds") with regards to variable remuneration paid on a given year when the variable remuneration is lower than 200,000 euros. However, if the variable remuneration is higher than 200,000 euros, these thresholds would be applied on the total variable remuneration (including the 200,000 euros).

The Company can rely on this principle of proportionality for the following reasons:

- The Company is not part of a banking, insurance or investment group or a financial conglomerate within which an entity is required to establish a remuneration committee;
- The Company is not a publicly listed entity;
- The Company's purpose is to manage UCITS and AIFs invested directly or indirectly in "credit assets" and it currently manages less than 1.2bn euros in assets and European AIFs, for professional clients whose value does not exceed 1.25bn euros;
- The fixed part of the remuneration will be preponderant for Selwood's employees, including the "risk-taking" employees.

- It must enable employees to receive a level of remuneration consistent with their duties and responsibilities (even in the event of non-payment of the variable portion), the variable part envisaged will be a maximum of 30% of the employee's fixed salary or 200,000 euros;
- The size of the Company is relatively small with less than 50 employees (5 permanent members of staff)

iv. Compliance

The Compliance and Internal Control Officer (RCCI) is responsible for monitoring the proper application of the Company's remuneration policy and process.

v. Company Remuneration Policy

Details of the remuneration policy are available on written request from the Company at compliance.fr@selwoodam.com.