

Remuneration Committee

Terms of Reference

Formation

The Committee has been established pursuant to the BlueBay Asset Management LLP (the “LLP”) Agreement (the “**LLP Agreement**”) and is to be known as the Remuneration Committee (“**Committee**”).

The Board of Directors of each of BlueBay Asset Management Corporation Limited, BlueBay Asset Management USA LLC, BlueBay Asset Management AG, BlueBay Asset Management International Limited and BlueBay Funds Management Company S.A. have in relation to each such entity's employees and Directors, delegated authority to the Committee to do all things in accordance with these Terms of Reference.

Duties

The Committee shall be responsible for all aspects of the remuneration of Partners in the LLP and of the remuneration structure of Employees of the BlueBay Group (comprising BlueBay Asset Management (Services) Ltd, its Subsidiaries and BlueBay Asset Management USA LLC) and including oversight of those employed outside of the UK. The aspects of remuneration for which the Committee is responsible shall include pension rights; remuneration leverage and severance; and compensation payments. In its fulfilment of this role, without limitation, the Committee shall have regard to the following duties:

- Remuneration Policies:
 - To agree with the LLP Board the framework and broad policy for the remuneration of the Management Committee of the LLP; Partners in the LLP; Senior Management of the BlueBay Group (constituted as determined by the Committee) and any Employee of the BlueBay Group receiving remuneration of an equivalent level; and review this annually;
 - To agree and implement the BlueBay Group's Remuneration Policy and the UCITS Remuneration Policy (together, the "**Remuneration Policies**") and to submit the Remuneration Policies to annual review to assess its ongoing alignment with business strategy using appropriate data from Risk, Compliance and Human Resources Functions to ensure that they promote the objectives, values and interests of the BlueBay Group, the funds it manages and the investors in such funds through effective risk management and are compliant with the applicable legal requirements and regulations or guidance issued by the applicable regulatory bodies (including the FCA and CSSF); and

- To have regard to the remuneration of individuals within the Risk and Compliance Functions and in particular, to direct that such individuals remuneration is determined by reference to performance objectives of those functions and for the remuneration of those individuals to be set otherwise than by the business units to which they may be attached.
- Code Staff:
 - To agree and maintain appropriate lists of “AIFM Remuneration Code Staff” and “UCITS Remuneration Code Staff” in accordance with the Remuneration Policies and the applicable regulations and/or regulatory guidance.
- Variable remuneration:
 - To review and approve the allocation of profits and losses amongst the holders of Class A Units and the allocation of profits and Priority Distributions in respect of each series of Class B Units, in accordance with the terms of the LLP Agreement and the Class B Units Deferral Plan;
 - To review and approve, in consultation with the Management Committee of the LLP, the proportion of profits that should be accrued and paid as bonuses;
 - To review variable remuneration pool calculations to ensure that they are principally based on profits and take into account all current and future risks facing the LLP liquidity and AUM levels;
 - Taking account of future risks, to advise on and determine all formulae for performance-related schemes operated by the BlueBay Group, the methods for assessing whether performance conditions are met and the eligibility of Partners in the LLP and Employees of the BlueBay Group for annual bonuses and benefits under any other schemes; and
 - To take any action in relation to the Class B Units Deferral Plan.
- Service terms:
 - To agree with the LLP Board the BlueBay Group's Policy on the duration of contracts, notice periods and termination payments under such contracts, with a view to ensuring that any termination payments are fair to the individual and the BlueBay Group; that failure is not rewarded; and the duty to mitigate loss is fully reflected in the Policy; and
 - To consider and make recommendations in respect of any other Terms of Service and any proposed changes to these terms.
- Remuneration outcomes:
 - To review and approve the remuneration of Partners in the LLP and Employees of the BlueBay Group designated as “AIFM Remuneration Code Staff” and “UCITS Code Staff”;

- To consider any other matters relating to the remuneration of or terms of service/employment applicable to the Management Committee of the LLP, other Partners in the LLP and Senior Employees of the BlueBay Group and ensure these are referred by the Committee to the LLP Board;
 - To review the remuneration of senior individuals of the BlueBay Group in Risk and Compliance Functions to ensure their remuneration aligns to Remuneration Policies; and
 - To review and consider any performance adjustments to unvested variable remuneration if appropriate for alignment with Remuneration Policies.
- Implementation of Remuneration Policies:
 - To highlight any risk implications of the Remuneration Policies to the Compliance and Risk Functions;
 - To review remuneration decisions to ensure that they do not limit the LLP's ability to build its capital base;
 - To review (and in some cases approve) pension, material severance and proposed bonus (including any guaranteed) payments to assess their alignment with Remuneration Policies; and
 - To review a number of possible scenarios as to how the Remuneration Policies will react to future internal and external events, including back-testing.

Membership

There shall be a minimum of two Members of the Committee from time to time and Members of the Committee shall be appointed and removed by the LLP Board, by giving written notice to the LLP at its Registered Office. No Member of the Committee shall be a Partner in the LLP or an Employee of the BlueBay Group.

The LLP Board shall regularly review the Membership of the Committee to ensure that individuals are included in the Membership of the Committee who have sufficient expertise and professional experience concerning risk management and control activities with regard to aligning remuneration structures to the risk profile of the LLP and the funds it manages.

The Committee may delegate to any Member of the Committee such of its powers as it considers desirable to be exercised by them. Any such delegation may be made subject to such conditions as the Committee may from time to time prescribe, may be either in addition to, or to the exclusion of their own powers and may be revoked or varied from time to time.

Chairman

The LLP Board shall appoint a Chairman of the Committee (the “**Chairman**”).

Secretary

The Committee shall elect a Secretary of the Committee (the “**Secretary**”) who shall keep a record of:

- The Membership of and the dates of any changes to the Membership of the Committee;
- The matters tabled at and arising from the Committee; and
- Specific Action Points and their eventual outcome.

Quorum

The quorum for a meeting of the Committee shall be any two Members (provided that the quorum shall be one Member in the event that the number of Members is less than two, owing to the resignation of an existing Member and/or the appointment of a new Member remaining subject to FCA approval).

A meeting of the Committee at which a quorum is present shall be competent to exercise all of the authorities, powers and discretions vested in or exercisable by the Committee.

Meetings

- Attendance at meetings of the Committee shall ordinarily be restricted to Members of the Committee and the Secretary. However, non-Members shall be entitled to speak, but not vote, at meetings of the Committee at the prior request of the Committee;
- Meetings shall be held at such times as the Committee deems appropriate and in any event not less than twice a year;
- Subject to these Terms of Reference, the Committee shall regulate its proceedings as it sees fit;
- No Committee Member shall be involved in any decisions as to his or her own remuneration, and no Partner in the LLP or an Employee of the BlueBay Group shall be in attendance at the meeting of the Committee whilst that person’s remuneration is under discussion;
- Each Member of the Committee shall disclose to the Committee:
 - Any personal financial interest in any matter to be decided by the Committee;
or
 - Any potential conflict of interest arising from a cross-appointment;
- Any such Member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the LLP Board), shall resign from the Committee;
- The Chairman of the Committee shall be responsible for communicating the decisions and recommendations of the Committee to the LLP Board as a whole; and
- The Committee shall collaborate with other LLP Board Committees, whose activities may have an impact on the design and proper formation of the Remuneration Policies and ensure the proper involvement of internal control and other relevant functions.

For the avoidance of doubt, the Committee shall not have any authority to act in relation to the Matters Reserved for Board Decision and shall not have duties in respect of the nomination of Members of the LLP Board.

Authorities

The Committee is authorised by the LLP Board at the expense of the LLP to investigate any matter within its Terms of Reference. It is authorised to seek and have unfettered access to, any information it requires from any Partner in the LLP or Employee of the BlueBay Group in order to perform its duties and all Partners in the LLP or Employees of the BlueBay Group are directed to co-operate with any requests made by the Committee.

The Committee is authorised by the LLP Board at the expense of the LLP to obtain external professional advice and/or to appoint external consultants (and in each case to set their Terms of Reference) and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary.

Terms of Reference

These Terms of Reference may be amended from time to time as required, subject to approval by the LLP Board.

Approval

Terms of Reference approved by the Remuneration Committee on **20 June 2017**.

Terms of Reference approved by the LLP Board on **19 September 2017**.