ROLES OF THE FUND BOARD, THE IM BOARD AND INVESTMENT COMMITTEE

As a closed-ended fund incorporated as a Hong Kong public OFC, the Fund is legally required to have an investment manager who is responsible for managing the Fund's assets, with such assets to be held by an independent custodian for safekeeping. The Instrument permits the Fund Directors to entrust to and confer upon the Investment Manager any of their relevant powers, duties, discretions and/or functions exercisable by them as Fund Directors.

Having regard to these legal requirements, the Fund and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund's assets, subject to the overall supervision of the Fund Board. The IM Board has in turn authorised the Investment Committee to make investment decisions for and on behalf of the Fund.

CORPORATE GOVERNANCE POLICIES OF THE FUND BOARD

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place by the Fund Board to promote the operation of the Fund in a transparent manner and with built-in checks and balances. The corporate governance policies of the Fund have been adopted having due regard to the requirements under Appendix C1 (Corporate Governance Code) to the Listing Rules (as if those rules were applicable to the Fund), with certain adaptations where appropriate having regard to the composition of the Fund Board and the Fund being externally managed the Investment Manager.

Set out below is a summary of the key components of the corporate governance policies that have been adopted and will be followed by the Fund. Such policies may be amended by a simple majority vote of the Fund Board.

FUND BOARD COMPOSITION

Pursuant to the Fund's corporate governance policy, the composition of the Fund Board is determined using the following principles:

- The Fund Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Fund, and should ensure that the directors devote sufficient time and make contributions that are commensurate with their role and board responsibilities.

- The Fund Board should include a balanced composition of non-executive directors and independent non-executive directors so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient calibre and number for their views to carry weight.

- At least three members of the Fund Board should be independent non-executive directors, and at least one of whom must have appropriate accounting or related financial management expertise.

- Any person appointed to be a Fund Director shall hold office only until the next annual general meeting of the Fund and shall then be eligible for re-election at that meeting by way of Shareholder approval by Ordinary Resolution.

- If any independent non-executive directors will have served more than three years from the time of their appointment or re-election at the upcoming annual general meeting, without having been subject to retirement by rotation, such independent non-executive director will be subject to retirement by rotation at the upcoming annual general meeting of the Fund and may stand for re-election at that meeting. The re-election of any independent non-executive director shall be approved by Shareholders by way of Ordinary Resolution.

- Independent non-executive directors of the Fund will need to retire, and will not be eligible for re-election, at the conclusion of the Fund's annual general meeting, if they will have served as an independent non-executive director for nine years or more at such time.

The Fund Board composition will be reviewed regularly to ensure that it has the appropriate mix of expertise and experience, and that the Fund Directors being appointed have the relevant expertise and experience, in discharging their duties.

BOARD COMMITTEES

Each of the Fund Board and the IM Board are assisted by committees which have been set up with clear terms of reference to review specific issues or matters and then submit their conclusions and recommendations to the Fund Board or the IM Board (as the case may be) for consideration and endorsement. Unless the decision making power has been vested in the relevant committee, such as the Investment Committee which has been authorised by the IM Board to make investment decisions for and on behalf of the Fund, the ultimate responsibility for making final decisions rests with the Fund Board or the IM Board (as the case may be) and not the board committees.

ARRANGEMENTS TO MITIGATE CONFLICTS OF INTEREST

As the Investment Adviser advises or manages several funds or managed accounts (referred to in this section as "clients") and is also the holding company of the Investment Manager with overlapping directors, the Investment Adviser has put in place a conflicts of interest policy that also extends to the Investment Manager.

The Investment Adviser's conflicts of interest policy is multi-layered and designed to address the various risks arising from potential conflicts of interest as discussed under the section headed "Key Risks". The Investment Adviser manages conflicts, whether actual or potential, by the adoption of various systems and controls such as:

- Functional and hierarchical separation of functions and responsibilities, for example, portfolio management and risk management functions and roles are not held by the same individual(s) and have significant and appropriate responsibilities;

- Disclosure in relation to general risks and potential for conflicts will happen before the Investment Adviser undertakes business, and the Investment Adviser will advise prospective clients on the general nature or sources of conflicts or both and the steps taken to mitigate those risks which are on a case-by-case basis;

- Applying internal rules of confidentiality and information flows;

- Mitigating conflicts (as described in more detail below); and/or ultimately

- Declining to act for clients where the Investment Adviser feels that a conflict cannot be managed by disclosure or other mitigations.

This policy addresses the identification, management, recording, monitoring and reporting of conflicts of interest, and among other things, includes the following arrangements to mitigate potential conflicts of interest.

Conflicts arising in the allocation of investment opportunities

There arise occasions when the quantity of an investment available for purchase at the same price is insufficient to satisfy the requirements of every client, or the quantity of an investment to be sold is too large to be completed at the same price. Similarly, the available size of a new investment may be insufficient to satisfy the total requirements of all clients, and a new investment may not be as appropriate for one client as another.

The resolution of such situations is covered by the Investment Adviser's allocation policy which aims to ensure that investments are allocated in a way that is fair, reasonable and equitable to all clients based on investable capital, investment objectives, and other investment constraints, such as diversification, to avoid the appearance of favouritism or discrimination among clients in favour of a preferred client, groups of clients or other counterparties.

For example, for public investments (e.g. bonds and leveraged loans), where two or more clients are combined in one trade, the allocation will be made by the Investment Adviser's head of portfolio management on the approval by the IA Investment Committee. Allocations will typically be made on a pro-rata basis according to investable capital and at the same price, but this may not always be the most appropriate method and any other allocation method will adhere to the overall principle of fairness, reasonableness and equitableness as described above.

Conflicts as to management team

The Investment Adviser shall ensure that each client will have adequate attention from their key persons, except where conflicts of interest may arise. In particular, to reconcile his roles at the Fund, Investment Manager and Investment Adviser, Mr. Matthew David DIMOND (alias Matt DIMOND) will not be one of the Investment Adviser's personnel providing advice to the Investment Manager with respect to the Fund. However, he will, in his capacities at the Fund and Investment Manager, consider advice from and work closely with the Investment Adviser with respect to potential investments at the Fund.

Further, notwithstanding his continuing role at the Investment Adviser with respect to clients other than the Fund, Mr. Matthew David DIMOND (alias Matt DIMOND) will ensure that he will still be able to dedicate sufficient time and attention to the Fund as its Executive Director and to the Investment Manager in carrying out his duties as its Chief Executive Officer, Executive Director and [**REDACTED**].

Conflicts arising in the acquisition or disposal of investments

A client of the Investment Adviser may be seeking to acquire or dispose of asset(s) that another client also has a position in. In providing its advice or services in relation to such a matter to one client, the Investment Adviser will do so without prejudicing the interests of the other client(s).

Conflicts arising from voting and decision making

Circumstances may arise where decisions made in relation to assets held by one client may adversely affect the interests of another client. The approach to managing this risk is twofold: firstly, situations where such a potential conflict is foreseeable should be avoided (for example, the Investment Adviser will not recommend senior-ranking loans from one fund and subordinated loans to the same borrower from another fund) and secondly where such situations have nonetheless arisen, decisions in relation to each client should be made by separate investment committees, each one considering the decision from strictly only the perspective of that client.

Personal conflicts and outside business interests

Employees must disclose to the relevant compliance officer any outside positions they hold, or other business/relationships, with or without compensation, to ensure these do not create a conflict in relation to their role. This includes personal relationships with third party service providers. Individuals may be asked to resign from external positions or make other arrangements to ensure they are not conflicted. Such arrangements will be on a case-by-case basis appropriate to the situation being considered and may include measures such as recusing themselves from discussions and decisions relating to that particular matter and/or being excluded from the team or decision-making chain relating to such matter.

Employee training on conflicts

Employees will be provided with regular training, to help them recognise conflicts and understand that they are expected to take all reasonable steps to avoid or manage those conflicts and to record and disclose them.

RETIREMENT OR REMOVAL OF THE FUND DIRECTORS

The Instrument prescribes certain situations where a person ceases to be a Fund Director, such as where they are bankrupt, mentally incapacitated, absent from board meetings for more than six months without the permission of the Fund Directors or upon expiry of their service contract. Fund Directors can also be removed by Shareholders by way of an Ordinary Resolution.

The Instrument also specifies that Fund Directors must give at least 28 days notice in writing before retiring from the Fund Board.

As it is a legal requirement for the Fund to have at least two directors, in the event that a Fund Director shall retire or be removed, the Fund Board shall appoint another eligible Fund Director so as to ensure that this legal requirement is complied with at all times. Such appointment shall require Shareholders' approval by Ordinary Resolution, although the Fund Board will have absolute discretion with respect to the appointment of Fund Directors to fill any vacancy until the next annual general meeting of the Fund.

SHAREHOLDERS' MEETINGS AND RESOLUTIONS

Shareholders' meetings may be convened by Shareholders representing at least 10% of the Shares in issue with at least 21 days' notice (for meetings to consider Special Resolutions) or 14 days' notice (for meetings to consider Ordinary Resolutions).

The quorum for passing a Special Resolution is at least 25% of the Shares in issue, while the quorum for passing an Ordinary Resolution is at least 10% of the Shares in issue. Matters that require a Special Resolution include without limitation:

(a) any material change in the investment objective, policy or restrictions of the Fund;

(b) any request for [**REDACTED**] of the Fund from the Hong Kong Stock Exchange; and

(c) any request for withdrawal of [**REDACTED**] of the Fund from the SFC.

The Shareholders may also, by Special Resolution, direct the Fund Directors to take, or refrain from taking, specified action, but such Special Resolution does not invalidate anything that the Fund Directors have done before the passing thereof.

For further details, please see the section headed "The Instrument of Incorporation — Meetings of Shareholders and Voting Rights".

ANNUAL AND INTERIM REPORTING

The Fund will prepare its accounts in accordance with IFRS with a financial year end of 31 March and a financial half-year end of 30 September, with the first financial year ending on 31 March 2027.

Under the UT Code, the annual report for the Fund will be published and distributed to Shareholders within four months of the end of the Fund's financial year, and interim reports no later than two months following the end of the period they cover. As an alternative to the distribution of printed financial reports, Shareholders may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame. The annual and interim reports will be available in English language only. The first annual report for the Fund will be published for the financial year ended 31 March 2027 and the first interim report for the Fund will be published for the period ending 30 September 2026.

INTERESTS OF AND [REDACTED] IN SHARES BY MANAGEMENT PERSONS

To monitor and supervise any [**REDACTED**] of Shares, the Fund and Investment Manager have adopted, where applicable and with appropriate modifications in the context of the Fund, their respective code, containing rules on [**REDACTED**] by the directors, executives and employees of the Fund and Investment Manager equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Pursuant to their respective codes, all directors, executives and employees of the Fund and Investment Manager who, because of their office or employment in those entities, are likely to be in possession of unpublished inside information in relation to the securities of the Fund ("**Management Persons**") wishing to [**REDACTED**] in the Shares must first have regard to provisions in Parts XIII and XIV of the SFO with respect to insider [**REDACTED**] and market misconduct as if those provisions applied to the securities of Fund.

In addition, a Management Person must not make any unauthorised disclosure of confidential information, whether to co-trustee or to any other person (even those to whom they owe a fiduciary duty) or make any use of such information for the advantage of themselves or others. Management Persons who are aware of or privy to any inside information must refrain from [**REDACTED**] in the Shares as soon as they become aware of such information until proper disclosure of the information in accordance with the UT Code and any applicable rules and regulations.

Management Persons who are privy to inside information should caution those Management Persons who are not so privy that there may be inside information and that they must not [**REDACTED**] in the Fund's securities for a similar period. A Management Person must not [**REDACTED**] in any of the securities of the Fund on any day on which the Fund's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional.

DISCLOSURE OF INTERESTS

The provisions of Part XV of the SFO with respect to disclosure of interests apply to the Fund. Shareholders with a holding of 5% or more of the Shares in issue, the Fund Directors, the IM Directors (including the chief executive of the Investment Manager) and the Investment Manager with an interest in the Shares, will be regarded as having a notifiable interest and will be required to notify the Hong Kong Stock Exchange of their holdings in the Fund.