

RiverRock Securities SAS

Control Functions and Compliance Function Policy

June 2021

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Glossary

Compliance Officer: employees working for Compliance and Internal Control Department and who report to the RCSI.

RiverRock Securities SAS contracts with RiverRock European Capital Partners LLP Compliance Officer.

RiverRock Securities SAS: 145-147 Boulevard Haussmann Paris 75008 France.

RRECP: RiverRock European Capital Partners LLP, 11 Pilgrim Street, London, EC4V 6RN authorised and regulated by the Financial Conduct Authority.

RCSI: *Responsable de la Conformité pour les Services d'Investissement* – equivalent of Investment Services Chief Compliance Officer. This function is mandatory for each investment company.

AMF's General Regulation specifies that a *RCSI* is independent and describes his/her role as the person responsible for:

- Risk identification and setting up of accurate internal policies and control to comply with laws and regulations;
- The elaboration of a Permanent Control Plan;
- The setup of an internal control system which ensures security, confidentiality and integrity of firm's information;
- The evaluation of non-compliance risks related to a new product or activity;
- Providing business advice, ensuring collaborators training, operating a regulatory and judicial watch;
- Reporting production in order to keep directory and executive board informed of his mission;
- Establishing remediation proposition to cover all anomalies and/or dysfunctions constated while performing compliance controls.

At RiverRock Securities SAS, the performance of permanent and periodic function is outsourced to a third party (Marker Management Consulting) under the supervision of Mikaël Mallion RCSI & Conducting officer of the company.

Marker: External Consultants company, assists the RCSI with a dedicated team to perform the missions in accordance with the Compliance Monitoring Programme.

Internal Audit: also called Periodic Control or 3rd Level Control is an independent team of auditors who review and control the efficiency of internal systems.

At RiverRock Securities SAS, this role is played by a dedicated team of Marker's auditors.

1. Applicable Laws

Permanent Control and Compliance requirements under French Law are enacted by the following texts:

- Arrêté du 3 novembre 2014 relating to the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the Autorité de contrôle prudentiel et de résolution: Articles 4, 6, 11, 12, 13, 14, 16, 21,25 and 28 to 42;
- AMF position DOC-2012-17 Compliance function requirements;
- AMF General Regulation: Articles 312-1, 312-2, 312-20, 312-21, 312-29, 312-30, 312-32;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016: article 22.

2. Internal Control aims

Internal control is a system defined and implemented by companies' managers and personnel in order to:

- Comply with the laws and regulations that apply to the Firm;
- Implement the instructions and directions established by senior management and communicated to employees;
- Ensure the effective functioning of the company's internal processes, notably those relating to the protection of its assets (tangible or intangible, such as know-how and reputation);
- Ensure the reliability of information issued, notably financial, via mechanisms such as the segregation of duties, by identifying the source of the information and complying with accounting and financial management principles.

The aim of this function is to contribute to the effectiveness of the company operations and efficient use of its resources towards the control of its activities.

However, internal control cannot provide an absolute guarantee that the Firm's objectives will be achieved.

3. General overview of the functions

Permanent control and risk management is everyone's responsibility, from governance bodies to all RiverRock Securities SAS employees.

To this end, every employee concerned must have the knowledge and information required to establish, operate and supervise the operations and risks of the company, vis-à-vis the objectives assigned to them.

This also applies to operational managers and internal controllers who must play an important role in coordinating, informing and controlling. Such persons participate at 3 different levels:

- Two levels of permanent control:
 - 1st level controls (personnel and managers level, assistance to RCSI by the Compliance officer)

- 2nd level controls (Compliance monitoring, controlling, and assessing risks of breach of compliance)
- One level of periodic control (known as "Level 3", or Internal Audit).

Compliance monitoring as well as 3rd level control (periodic control) are outsourced as follows in section 5 and 6.



4. 1st Level Controls

Every RiverRock Securities SAS employee is concerned and involved with this control and compliance mission. It means that all of them are aware of risks linked to RiverRock Securities SAS activity and all of them have to maintain a certain level of vigilance.

They alert the Compliance Officer and then the RCSI, every time they witness or find out discrepancies or incidents.

Moreover, they communicate specific information on their activity on a regular basis via reporting. They also can be solicited on a specific purpose by the Compliance Officer.

Those controls consist of permanent and operational supervision carried out within the framework of transaction processing. They focus on the processing and management of transactions during the day in question and on completion of the transactions, including correct incorporation each day within the systems that record positions, accounts and reports.

Such Level 1 controls are performed by each employee within the natural context of their day-to-day activities, whether in: front office, middle office, back office, other support functions or by RiverRock Securities SAS or any other RiverRock Group Company that provide services to RiverRock Securities SAS. These controls must be documented. Unless they have been documented, they may not be considered to have been carried out.

5. Compliance monitoring

RCSI and Direction

Regarding the reduced size and the organization of RiverRock Securities SAS, the RCSI position is exercised by one of its Directors, who leads Compliance policy and related controls.

The RCSI is assisted in his missions of controls by External consultants of Marker and by a Compliance Officer provided by RRECP, which both stand as externalized functions.

Controls held by one or another of these externalised functions are detailed and described in a separate document entitled "RRS SAS_Compliance Monitoring Programme 2021_210125".

Outsourcing of both controls carried by Marker and carried by RRECP are based on SLA outsourcing agreements.

The results of all these controls are sent to the RCSI and shared with the Compliance officer RRECP.

5.1. Externalized Compliance Monitoring controls held by the Compliance Officer (RRECP)

RiverRock European Capital Partners LLP provides to RiverRock Securities SAS 1 Compliance Officer dedicated to 2nd level control and RCSI support on the below subjects (in addition to controls performed by the External consultants – Marker):

- Investment advisory: by controlling the prior collection of Customer Knowledge & Experience, the suitability of the product offered with its investment objectives and risk profile, and ensures the existence of formal advice (client categorization as per MIFID). This control is exhaustive and done on an ongoing basis.
- Clients relationship:
 - o KYC: by controlling quarterly the KYC files (KYC documents, client categorization per AML risks, due diligence appropriateness review);
 - o AML: by controlling quarterly the AML system (procedure, collaborators training, AML reports, update of KYC file, tools efficiency);
 - o Complaints: on an ongoing basis, by ensuring that all customer complaints are processed and returns to customers are made within a reasonable time frame (48 hours); and by verifying the archiving of customer complaints.
- Conflicts of interest:
 - o Personal transactions: annual request of personal securities accounts of RRS employees;
 - o Gifts and Benefits: by controlling the gifts and benefits received and offered by RRS employees (ongoing basis);
 - o Outside Business Interest: annual request of any outside business interests of RRS employees (notified by employees throughout the year).
- Business continuity:
 - o Annual testing of the business continuity plan;
 - o Annual verification of the continuity of outsourced activities;
 - o Information systems security: annual performance of a periodic assessment of the security level of IT systems;

- Authorizations: by controlling quarterly the access to a workstation and the access to the premises;
- Marketing materials: by performing annual controls on the company's website, and on an ongoing basis, on external communications.

The results of these controls are sent to the RCSI and shared with the External Consultants (Marker).

5.2. Externalized Compliance Monitoring controls held by Marker

As seen above, the Compliance Officer from RiverRock European Capital Partners handles transversal controls.

All other specific 2d level controls are outsourced to Marker.

Those controls are carried out retrospectively, at a pre-defined or random frequency and by entities not operationally involved, namely by the various operational managers within the natural context of their functions and by the team in charge of the Investment Firm's permanent control.

These controls are verifications of substance and form in order to validate the effectiveness of the Level 1 controls, the compliance of the process and of the processing methods relating to a transaction or client file, and for specifically monitoring the various related operational risk.

Please refer to the Compliance Monitoring Programme for detailed list of controls on:

- Trading process;
- Best execution / best selection;
- RTO;
- Third party account;
- Own account;
- Market abuse;
- Investment advisory;
- Conflicts of interest;
- Product governance;
- Regulatory reporting;
- Transactions reporting.

Those controls are performed on various frequency (ongoing, quarterly, and yearly)

5.3. Details of the Compliance Monitoring Programme 2021 (externalization)

These controls are in relation to:

- The compliance of the transactions carried out by the company, of its organizational structure and of its internal procedures with regard to:
 - professional obligations and regulations (AMF, French Monetary and Financial Code, etc.);

- contractual commitments relating to brokerage activities on behalf of third parties;
 - decisions made by the Directors of the Firm.
- Security and validation of the transactions carried out.
 - Implementation of other verifications related to the monitoring of the risks associated with such transactions.

The permanent controls that will be carried out either by the Compliance Officer or by the external service provider Marker are the following (next page). The column 'Person in charge' identifies whether it is a control carried by Marker or the Compliance officer (RRECP).

Category	Topic	Permanent control	Frequency	Person in charge
Management of the activity				
Committees	Internal decisions	Holding of operational committees and control of the formalisation of internal decisions	Yearly	Marker MC Permanent Control Team
Procedure	Compliance Manual	Control of the adequacy of the normative framework	Yearly	Marker MC Permanent Control Team
Regulatory capital	Regulatory Capital	Periodic assessment of the adequacy of the level of capital	Yearly	Marker MC Permanent Control Team
Accounting	Invoices	Control of remuneration in compliance with agreements	Yearly	Marker MC Permanent Control Team
Regulatory reporting	AMF and ACPR relationship	Control of reporting compliance and deadlines	Ongoing	Marker MC Permanent Control Team
Risk Management	Risk Management system	Control of the risk monitoring	Yearly	Marker MC Permanent Control Team
Ressources	Human and technical resources	Control of the adequacy of human and technical resources	Yearly	Marker MC Permanent Control Team
Outsourcing	Outsourced services	Control of outsourced services monitoring	Yearly	Marker MC Permanent Control Team
Business continuity	Business continuity plan	Control of the adequacy of the business continuity plan	Yearly	Compliance Officer RRECP
Information security system	IT service provider	Periodic assessment of the security level of the IT systems	Yearly	Compliance Officer RRECP
Investment services				
Trading Process	Execution	Control of the completeness of the information relating to the orders booked. Control of the chronology, of changes of assignment, of the conformity of orders and negotiation	Quarterly	Marker MC Permanent Control Team
		Control of the trading process (audit trail of the orders)	Quarterly	Marker MC Permanent Control Team
	Best execution	Control of the best execution of orders (price, timing, operational incidents, etc.)	Quarterly	Marker MC Permanent Control Team
		Ensure that the data concerning the orders can be made available within a reasonable period of time Ensure that the extractions on this data are reliable and exploitable Make sure the client has had the best execution policy available before placing his order. Control the compliance of best execution policy	Quarterly	Marker MC Permanent Control Team
		Specific control of the best execution of orders (counter parties competition control, control on RFQ submission prior to transaction, control on price level when no RFQ are submitted, control of trader's comments when the trade without competition)	Quarterly	Marker MC Permanent Control Team
Best selection	Ensure that used brokers/counterparties are duly evaluated on objective criteria	Quarterly	Marker MC Permanent Control Team	
RTO	Reception of orders	Ensure that the firm, for each initial order received and transmitted, records and makes available to the competent authority all the important information referred to in Annex IV, section 1 of Delegated Regulation EU 2017/565. Ensure the correct timestamp per second, or even millisecond at this stage of the process	Quarterly	Marker MC Permanent Control Team
	Transmission of orders	Ensure the correct timestamp per second, or even millisecond at this stage of the process	Quarterly	Marker MC Permanent Control Team
	Execution of orders: Execution through own funds Execution on execution platforms Execution via a network of brokers	Ensure the execution of clients' orders in the order of their arrival and with speed, unless the nature of the order or the prevailing market conditions make this impossible, or the interests of the client do not require doing otherwise. Ensure that orders executed on behalf of clients are recorded and distributed with speed and precision Make sure the correct time stamp per second, or even per millisecond at this stage of the process (Reception / Transmission)	Quarterly	Marker MC Permanent Control Team
	Send confirmation or execution alert	Ensure the confidentiality of data sent to the firm. Make sure that the alert report is sent to the firm if necessary (with identification of the days when there were problems and normal days)	Quarterly	Marker MC Permanent Control Team
	Sending confirmation or execution alert to the CLIENT / Client information (if applicable) of any serious difficulty likely to affect the proper execution of orders	Ensure the confidentiality of data sent to the CUSTOMER Ensure that the alert report is sent to the client if applicable Ensure that the transaction notice contains all the information to the customer Problem on the execution platform not transmitted in the customer statement	Quarterly	Marker MC Permanent Control Team
Third party account	Provision of data on orders to supervisory authorities / internal auditors	Ensure that the data concerning the orders can be made available within a reasonable period of time Ensure that the extractions on this data are reliable and exploitable	Yearly	Marker MC Permanent Control Team
Own account	Separation of Own Account / Third Party Account activities	Ensure the application of the principle of separating activities carried out on behalf of clients from those carried out on their behalf clean (Chinese wall between the two activities) Ensure the keeping and updating of conflict of interest and ordering procedures	Yearly	Marker MC Permanent Control Team
Product Governance	Product governance process	Control of the product governance process	Yearly	Marker MC Permanent Control Team

Investment advisory	Realization of the advice	Control of the prior collection of Customer Knowledge & Experience, of the suitability of the product offered with its investment objectives and risk profile, and ensures the existence of formal advice (client categorization as per MFID) Control of the client information.	Ongoing	Compliance officer RRECP
		Control of the client information.	Ongoing	Marker MC Permanent Control Team
Execution on behalf of third parties	Realization of the execution on behalf of third parties	Control the correct realization of the execution on behalf of third parties	Yearly	Marker MC Permanent Control Team
Dealing on own account	Realization of the dealing on own account	Control the correct realization of the dealing on own account	Yearly	Marker MC Permanent Control Team
Transaction reporting	Report of executed transactions in financial instruments	Control that the transaction reportings are complete and accurate (the names and numbers of the financial instruments bought or sold, the quantity, the dates of execution, the transaction prices, a designation to identify the clients on whose behalf RiverRock Securities SAS has executed that transaction)	Yearly	Marker MC Permanent Control Team
Incident register	Incidents and complaints recorder in the register	Maintenance of the incident database and error account	Yearly	Marker MC Permanent Control Team
Marketing				
Clients relationship	KYC	Control of KYC files (KYC documents, client categorization per AML risks, due diligence appropriateness review)	Quaterly	Compliance Officer RRECP
	Complaints	Ensure that all customer complaints are processed and returns to customers are made within a reasonable time frame (48 hours) Verification of the archiving of customer complaints	Ongoing	Compliance Officer RRECP
	Reportings	Control of reports sent to the client	Yearly	Marker MC Permanent Control Team
Marketing Materials	Website	Control of marketing materials (clear, accurate and non-misleading content)	Ongoing	Compliance Officer RRECP
		General review of the website and accessible documentation	Yearly	Compliance Officer RRECP
	External communications	Control of press releases or any other external communication (media, press, etc.). Ensure the conformity of external communications (the presence of a complete signature, appropriate disclaimers, etc.) Ensure the clarity, honesty and non-misleading nature of the statements made	Ongoing	Compliance Officer RRECP
Compliance				
Conflicts of interest	Personal transactions	Request for personal securities accounts of RRS employees	Yearly	Compliance Officer RRECP
	Gifts and Benefits	Control of gifts and benefits received and offered by RRS employees	Ongoing	Compliance Officer RRECP
	Conflict of interest	Monitoring of new situations, Ensure the compliance with the procedure.	Yearly	Marker MC Permanent Control Team
	Outside Business Interests	Control of the outside business interests system	Ongoing	Compliance Officer RRECP
Market abuse	Inside information and price manipulation	Specific verification regarding market abuse, inside information received and delivered (list of insiders and inside information, NDA, check on the time period of inside information, until it becomes public)	Monthly	Marker MC Permanent Control Team
	Transaction controls	Ensure proper compliance with internal procedures within the framework of order execution (re-rating of the order audit trail) Control of transactions relating to a security (or underlying) the price of which has varied by 10% and whose execution has taken place within 3 days	Monthly	Compliance Officer RRECP
	Keeping records of telephone conversations and customer orders	Ensure that the records are sent to the customers concerned at their request Ensure that these records are kept for a period of five years and, when the Prudential Control and Resolution Authority or the Financial Markets Authority considers it useful, for a period of up to seven years.	Quaterly	Marker MC Permanent Control Team
AML/CFT	AML	Control of AML system (procedure, collaborators training, AML reports, update of KYC file, tools efficiency)	Quaterly	Compliance Officer RRECP
EMIR	EMIR regulation	Control of the taking into account of regulatory changes	Yearly	Marker MC Permanent Control Team
RGPD	CNIL/RGPD	Control of the RGPD system	Yearly	Marker MC Permanent Control Team
Data	Data recording and storage	Control of the data recording and storage	Yearly	Marker MC Permanent Control Team

6. Periodic control: 3rd level controls held by Marker

The 3rd level controls are outsourced to Marker. To ensure that efficiency and impartiality of them, a specific team within Marker (different from the one handling 2d level control) is dedicated to such periodic controls.

Marker, with RiverRock Securities SAS validation, establish and maintain an effective audit plan, examine and evaluate the adequacy and effectiveness of RiverRock Securities SAS compliance systems, internal control mechanisms and arrangements.

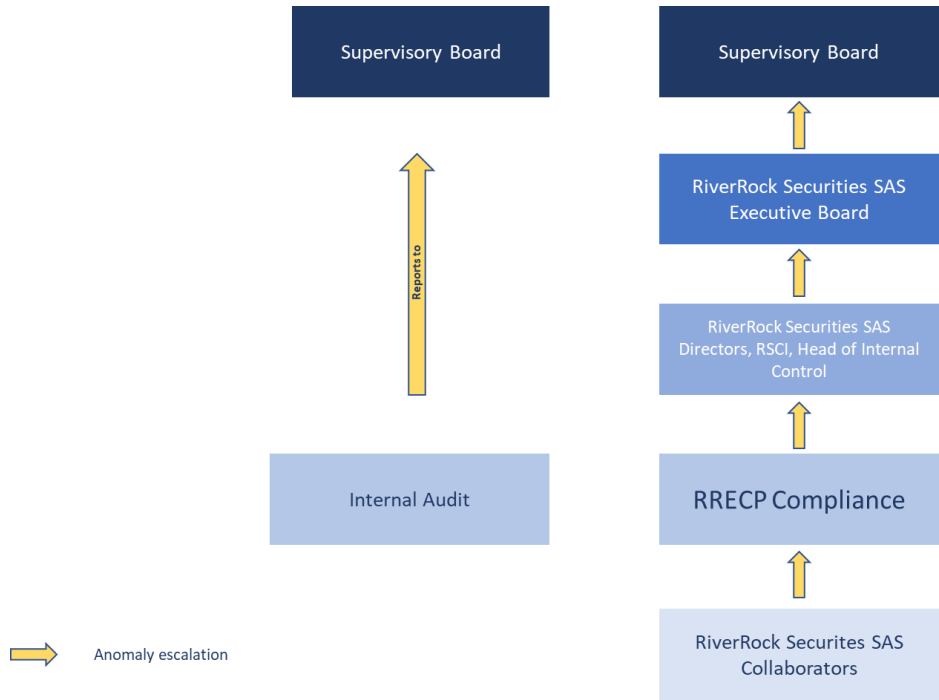
Marker write an audit report where they issue recommendations based on the result of its audit mission.

Marker verifies compliance with those recommendations and provides reports on internal audit issues to the RCSI and Executive Board during Audit Committees.

Marker also verify the application by RiverRock Securities SAS of its previous recommendations.

7. Reporting regarding Controls and Key functions overview

7.1. Information circulation scheme



7.2. Participants and Attributed Tasks

Executive Committee Board and Supervisory Board

RCSI reports for Compliance and Control activities to the Executive Committee Board as well as Supervisory Board which is presided by Michel Péretié.

Head of Compliance – “RCSI - Responsable de la conformité pour les services d'investissement”

Mikaël MALLION - Head of Compliance - "Dirigeant RCSI" & "Responsable de la Conformité" / "Directeur Général "

He is also the Compliance key function holder, with responsibility for compliance and AML/CTF, with assistance from RiverRock European Capital Partners Compliance and Marker.

Head of Internal Control "Responsable du Contrôle interne"

Nicolas GAUMONT-PRAT - President / Head of Internal Control - "Président" / "Responsable du Contrôle interne"

He is the Internal Control key function holder, with responsibility for Risk Management, Level 1 employees and Non-Financial Risk, with assistance from Marker.

External Consultant - Marker

RiverRock Securities SAS has appointed an external compliance consultancy firm, Marker, who will support Mr Mallion fulfil his compliance and RCSI responsibilities as well as Mr Gaumont-Prat fulfil his regulatory and Internal Control responsibilities.

Marker permanent control team and internal audit team for RiverRock Securities SAS, for an anticipated time of 24 to 32 days a year for permanent controls and between 12 to 16 days a year for periodic controls.

The time commitment will be kept under review by Mr Mallion at least annually, but more frequently to start with, to ensure it remains sufficient.

Marker will perform its tasks in accordance with the compliance monitoring program.

RiverRock European Capital Partners LLP Compliance (RRECP Compliance officer)**Sian WILSON**

RiverRock Securities SAS has contracted with RiverRock European Capital Partners LLP to provide RiverRock Securities SAS 1 Compliance Officer dedicated to 2nd level control supporting the RSCI in:

Tasks

- Investment advisory;
- Clients relationship:
 - o KYC;
 - o AML;
 - o Complaints.
- Conflicts of interest:
 - o Personal transactions;
 - o Gifts and Benefits;
 - o Outside Business Interests.
- Business continuity;
- Information systems security;
- Authorizations;
- Marketing materials.

Head of internal Audit « Responsable de l'Audit interne »

Michel PÉRETIÉ - Chairman of the Board / Head Internal Audit - "Président du Conseil de Surveillance" / "Responsable de l'Audit interne"

He is the Internal Audit key function holder, with responsibility for Internal Audit, with assistance from Marker.

Manager – IT and Middle / Back Office

David Dunand – Manager

He is the IT and Middle/Back Office key function holder, with responsibility for IT and Middle/Back Office, with assistance from RiverRock European Capital Partners.
The anticipated time spent by RRECP will be 50% of FTE per function.