

LIVIO PAYNE CAPITAL LLC

FEE SCHEDULE

LPC Fund I, LP

Version 1.0
April 2026

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Fee Overview at a Glance

1.50%	2.00%	17.5%	20.0%
Mgmt Fee (Tier 1 Anchor)	Mgmt Fee (Tier 2/3)	Carried Interest (Tier 1)	Carried Interest (Tier 2/3)

8.0%	100%	\$250K	None
Preferred Return (Hurdle)	Fee Offset (Txn/Director)	Org. Expense Cap	Co-Invest Management Fee

1. Limited Partner Tiers

The Fund accepts Capital Commitments at three tiers, each carrying distinct economics. Tier assignment is fixed at the time of the LP's initial commitment and persists through the life of the Fund.

Tier	Capital Commitment	Designation
Tier 1	\$5,000,000 and above	Anchor LP
Tier 2	\$1,000,000 – \$4,999,999	Core LP
Tier 3	\$100,000 – \$999,999	Standard LP

- Aggregation: The GP may aggregate Capital Commitments from related LPs (affiliated entities, family-office vehicles under common control) at GP discretion for tier determination
- Subsequent Increase: An LP that increases its Capital Commitment to cross a tier threshold during the Investment Period may be reassigned to the higher tier on a prospective basis — no retroactive economic adjustment
- Exceptions: The GP may grant tier exceptions to Anchor LPs via Side Letter, subject to MFN provisions (LPA §16.6)

2. Management Fee

2.1 Rate Schedule

Tier	Investment Period Rate	Post-Investment Period Rate	Basis
Tier 1 — Anchor	1.50%	1.50%	Capital Commitment → Invested Capital
Tier 2 — Core	2.00%	2.00%	Capital Commitment → Invested Capital
Tier 3 — Standard	2.00%	2.00%	Capital Commitment → Invested Capital

2.2 Calculation Basis

Period	Basis
During Investment Period (Inception through 4th anniversary of Final Closing)	Each LP's Capital Commitment, regardless of whether capital has been called
After Investment Period	Each LP's Invested Capital (capital actually deployed in active investments, excluding capital returned via realization)

2.3 Payment Schedule

Management Fee is paid quarterly in advance, on or about the first business day of each calendar quarter. The first quarterly payment is pro-rated from the Initial Closing Date.

2.4 Illustrative Annual Management Fees (Year 1)

LP Profile	Annual Management Fee
Tier 3 — \$100K Commitment	\$2,000
Tier 3 — \$500K Commitment	\$10,000
Tier 2 — \$1M Commitment	\$20,000
Tier 2 — \$3M Commitment	\$60,000
Tier 1 — \$5M Commitment	\$75,000
Tier 1 — \$10M Commitment	\$150,000

2.5 Subsequent Closing Adjustment

LPs admitted at subsequent closings shall pay the Management Fee retroactively to the Initial Closing Date, plus interest on retroactive amounts at the Prime Rate plus 2%. Such retroactive amounts (less the interest component, which accrues to the Partnership) are credited to existing LPs proportionate to their Capital Commitments.

3. Carried Interest

3.1 Rate & Waterfall

Tier	Carried Interest	Hurdle Rate	Above-Hurdle Split (LP / GP)
Tier 1 — Anchor	17.5%	8.0% annualized	82.5% / 17.5%
Tier 2 — Core	20.0%	8.0% annualized	80.0% / 20.0%
Tier 3 — Standard	20.0%	8.0% annualized	80.0% / 20.0%

3.2 Distribution Waterfall

1. Return of Capital — 100% to the LP until cumulative distributions equal aggregate Capital Contributions
2. Preferred Return — 100% to the LP until LP has received an 8.0% annualized preferred return, compounded annually, on average daily balance of unrecovered Capital Contributions
3. GP Catch-Up — 100% to GP until GP has received 17.5% (Tier 1) or 20.0% (Tier 2/3) of all distributions made in Steps 2 and 3 combined
4. Residual Split — 82.5% / 17.5% (Tier 1) or 80.0% / 20.0% (Tier 2/3) in favor of the LP

3.3 GP Clawback

Upon dissolution, the GP shall return any excess Carried Interest received (computed on an after-tax basis) such that LPs collectively receive the result they would have received under a whole-fund waterfall. Clawback is supported by GP personal guarantee or escrow as required by the LP Advisory Committee.

3.4 Worked Examples

Example A — Tier 2 Core LP: \$1M Commitment, single position at 25% gross IRR / 24-month hold (1.56x gross MOIC, \$1M → \$1,562,500)

Step	Calculation	Amount
Realization	—	\$1,562,500
Return of Capital	First, to LP	(\$1,000,000)

Step	Calculation	Amount
8% Preferred Return (24 mo.)	$\$1M \times (1.08^2) - \$1M = \$166,400$ to LP	(\$166,400)
Available for Catch-Up	—	\$396,100
GP Catch-Up to 20%	100% to GP until GP has \$41,600	(\$41,600)
LP's 80% of Residual	$80\% \times \$354,500$	\$283,600
GP's 20% of Residual	$20\% \times \$354,500$	\$70,900
Total to LP	$\$1,000,000 + \$166,400 + \$283,600$	\$1,450,000
Total to GP	$\$41,600 + \$70,900$	\$112,500

Example B — Tier 1 Anchor LP: Same \$5M Commitment at identical 25% gross IRR / 24-month / 1.56x MOIC. Same mechanics apply but with 17.5% catch-up and 82.5% / 17.5% residual split. Anchor LP receives approximately \$7.31M vs. \$7.25M for Tier 2/3 economics.

4. Transaction & Other Fees

Fee Type	Rate / Amount	Offset Treatment
Transaction Fees	1.0% – 2.0% on selected transactions where a third party would otherwise charge a market-rate fee	100% offset against Management Fee in the same quarter; excess credits roll forward
Director / Advisory Fees	Any director, advisory, monitoring, or similar fees received by the GP or any Affiliate from a portfolio company or counterparty	100% offset against Management Fees; reported in next quarterly LP letter
Bolivia Operational Fees	Fees, commissions, or other compensation received by the GP or any Affiliate from Bolivia counterparties for services in connection with a Partnership Investment	100% offset against Management Fees — GP's Bolivia economics limited to Carried Interest only

5. Organizational Expenses

Reasonable Organizational Expenses up to \$250,000 are borne by the Partnership and amortized over 60 months. Expenses in excess of \$250,000 are borne by the GP.

Organizational Expenses include:

- Fund counsel formation fees (LPA, IPS, subscription documents, regulatory filings)
- CCO setup fees (AML program, Code of Ethics, written supervisory procedures)
- Initial regulatory filings (Form ADV, Form D, Blue Sky, state notices)

- Initial fund administrator setup
- Initial Bolivia compliance setup (in-country counsel, ASFI alignment review)
- Insurance binding fees

6. Fund Operating Expenses

The Partnership bears the following ongoing Operating Expenses:

Category	Examples
Audit & Tax	GAAP audit, K-1 preparation, tax filings
Compliance	Third-party CCO ongoing fees, regulatory filings, Form ADV updates
Legal	Fund counsel ongoing fees; deal counsel (capitalized to deals where applicable)
Bolivia Compliance	Quarterly export documentation review, ASFI alignment, in-country counsel retainer, OECD diligence costs
Travel & Diligence	Direct travel and out-of-pocket diligence costs for Investments
Insurance	D&O, E&O, cargo (Bolivia trade-level)
Custody & Banking	Bank fees, escrow fees, custody fees
Reporting Infrastructure	LP portal, deal-flow CRM (allocable portion), reporting tools
Fund Administrator	Quarterly admin fees, NAV calculation, K-1 distribution
Wind-Down	Liquidator fees, residual audit, final tax filings

7. GP-Borne Expenses

The GP bears the following at its own expense, with no charge to the Partnership:

- GP personnel compensation, payroll taxes, and benefits
- GP office overhead (rent, utilities, equipment)
- GP-level insurance not specifically related to fund operations
- Marketing and investor-relations activities not specific to a fundraising round of the Partnership
- Day-to-day deal sourcing not associated with a specific transaction proceeding to LOI or term sheet

8. Broken-Deal Expenses

Out-of-pocket expenses attributable to unconsummated transactions are borne by the Partnership.

Scenario	Treatment
Co-Investment opportunity offered but deal fails	Proportional share of Broken-Deal Expenses attributable to the offered Co-Investment remains with the Partnership — LPs do not bear extra Broken-Deal cost for offered-and-declined Co-Investments
Bolivia trades failing at Stages 1–3 (Sourcing, KYC/Export, Capital Deployment)	Expenses typically modest; borne by the Partnership
Bolivia trades failing at Stages 4–6 (Logistics, Refinery, Settlement)	Material expenses addressed under the position's underwriting case and cargo insurance/escrow recovery process; residual losses charged to the Partnership

9. Co-Investment Economics

Co-Investment capital bears no Management Fee and no Carried Interest. Co-Investors bear only their pro-rata share of out-of-pocket deal expenses and receive direct deal-level returns outside the Partnership's distribution waterfall. See the Co-Investment Term Sheet for full terms.

10. Fee Reporting & Transparency

Quarterly Disclosure

Each Quarterly Investor Letter includes:

- Management Fee paid by tier
- Transaction fees received (if any) and the corresponding offset
- Operating Expenses incurred, by category
- Broken-Deal Expenses, with description of underlying transaction (anonymized as needed)
- Carried Interest distributed (cumulative and current period)
- Estimated Clawback Amount (if any)

Annual Reconciliation

The annual audited financial statements include a reconciliation of Management Fees actually paid vs. fees that would have been paid absent the offset mechanics in Section 4.

11. Tax Treatment

Topic	Treatment
Partnership Tax Status	Pass-through entity for U.S. federal income tax purposes; K-1s issued by March 31 (or extension notice)

Topic	Treatment
Carried Interest	Distributions to the GP in respect of Carried Interest are intended to receive long-term capital gains treatment to the extent supported by underlying Investments and the three-year holding period required under §1061 of the Internal Revenue Code
Bolivia Trades	Trades held 3–9 months may produce ordinary income or short-term gain treatment — tax counsel to advise on structuring
State & Local Tax	LPs are responsible for their own state and local tax obligations, including any composite-return or withholding regimes applicable in their state of residence
FATCA / CRS	LPs shall provide all information necessary for FATCA, CRS, and other applicable tax reporting requirements

This Fee Schedule is incorporated into and forms part of the Limited Partnership Agreement of LPC Fund I, LP. Capitalized terms have the meanings ascribed in the LPA.