Remuneration Policy

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QUILVEST
CAPITAL PARTNERS AM

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Version Control

Version	Editor	Date	MC Approval	BofD Approval	Comments
1.0	JLV	2014-11-10	2014-11-16	2014-12-19	First version of the policy including a mapping with AIFM law
3.0	JLV	2016-08-01	2016-09-02	2016-09-22	
4.0	JLV	2018-11-01	2018-11-09	2018-12-12	
5.0	JLV	2020-07-31	2020-08-24	2020-09-15	Inclusion of delegate remuneration rules, prohibition of hedging, clarification of remuneration rules
6.0	JLV	2021-02-16	2021-02-17	2021-03-16	Adding SFDR section and update of delegate section
7.0	JLV	2022-02-10	2022-02-15	2022-03-25	To reflect shareholder change and recent CSSF and ESMA related regulations
7.1	RVI	2023-03-14	2023-03-15	2023-03-30	To include valuation as conducting officer and the head of French branch

1. Introduction

This remuneration policy (hereinafter the Policy) has the objective of defining and describing the principles and remuneration rules that apply to Quilvest Capital Partners AM S.A. (QCPAM or the Company)'s employees. These guidelines are set by the Board of Directors of QCPAM following the recommendations of the Remuneration Committee (RC) of QCPAM and the key applicable dispositions and regulatory guidelines.

This Policy has been designed taking into account the business strategy, objectives, activity related risks, values, and interests of the Company and portfolios it manages and of the investors in such portfolios, including the required measures to avoid conflicts of interest. The Policy seeks to promote a sound and effective risk management in a way that is consistent with the risk appetite of the Company and with the risk profiles of the portfolios it manages.

This Policy is prepared by QCPAM's management and controlled by the Compliance department of QCPAM.

2. Applicable Dispositions

As an investment firm managing a diversity of portfolios, QCPAM is subject to a number of related laws, regulations, circulars, and guidelines at European and national levels. In broad terms, the remuneration practices and guidelines that QCPAM should apply and that conform this remuneration policy are related to dispositions that include AIFMD regulations, the 1915 Luxembourg Company Law, ESMA Guidelines, and several CSSF circulars. A detailed enumeration of these norms is included in Annex I of this policy. Nevertheless, and considering the core activities of QCPAM, the most relevant dispositions are the 2013 Law, ESMA-GSRPUA, ESMA-RP1-AIFMD as amended, and CSSF 18/698.

These norms share most principles and guidelines and have been drafted with an aim to standardize them across the different types of financial institutions[1].

The main guiding principles that conform this remuneration policy can be summarized, for example, in the general criteria established in article 12 of the 2013 Law that indicates that "AIFMS must have remuneration policies and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the AIFMs or of the AIFs they manage, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, management regulations or instruments of incorporation of the AIFs they manage".

[1] See, for instance, the ESMA letter dated March 31st, 2016 and addressed to the European Commission, the European Parliament, and the Council of the European Union on "Proportionality principle and remuneration rules in the financial sector".

Based on this notion of convergence of the remuneration guidelines that apply to the different type of activities carried out by the Company, Annex II to this policy provides an analysis of how QCPAM's remuneration policy aligns to the requirements of the legislation by reviewing the congruence between the remuneration policy principles established in the 2013 Law and the provisions included in this remuneration policy.

On January 31, 2022, the CSSF has published the circular CSSF 22/797 that implements the EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04). Although these dispositions apply to credit institutions and investment firms and not directly to the Company, they have been reviewed to take into account the updated position of the regulation in respect of remuneration policies and remuneration implementation. Among, other things, EBA/GL/2021/04 discusses in detail the principle of proportionality extending the provisions of article 92(2) of the Directive 2013/36.

3. Principles

The present policy is structured around the following principles:

- competitiveness of remunerations: the policy must allow QCPAM to appeal and win the loyalty of best talents on its field of activity;
- performance and responsibility: the variable remuneration rewards the performance of QCPAM's employees and not the seniority. It can be adapted depending on the individual and collective performances observed in the short and long term. The measurement of the performances is understood as quantitative and qualitative paying special attention to the risks taken on individual and collective level and that are implicit to each function and its related activity;
- proportionality and limitation on risk taking: as a general matter, in the frame of its activities, QCPAM ensures to follow a limited and measured risk policy. The remuneration policy seeks to harmonize a competitive remuneration with a sound and effective risk management that is consistent with the risk profile of the Company and of the portfolios it manages or advices, and in no case, it promotes the assumption of excessive risk taking in respect to sustainable risk;
- long-term value creation: the remuneration policy aims to align the strategy, objectives, values, and interests of the company and therefore to comply with the principles ruling client and investors' protection while providing services; and
- compliance: the policy is established following current legal and regulatory dispositions.

4. Proportionality Principle

The proportionality principle aims at aligning the remuneration policy with the specific risk profile of a company, its risk appetite, and its strategy.

Considering the size of the activities of the Company, their degree of complexity, the number of portfolios it manages, and the fact that QWM has also opted to apply the proportionality principle, this remuneration policy applies the proportionality principle in respect of:

- payment of variable remuneration through financial instruments;
- retention policy[2]; and
- deferment of a percentage of variable remuneration.

This approach is consistent with the principles listed in CSSF 22/797 and in the position expressed by ESMA in a letter to the European institutions[3].

As circular CSSF 22/797 indicates (and also CSSF 18/698, Section 5.5.9. Remuneration policy), even if a company opts to apply the proportionality principle still it has to implement an appropriate remuneration policy and certain requirements can only be neutralized if that approach is compatible with the risk profile, risk appetite, and strategy of the company. The decision of not applying certain remuneration requirements cannot be automatic and it should be justifiable if required. If an AIFM intendeds to apply the proportionality principle on remuneration matters it has to inform the CSSF and motivate this decision[4].

5. Identified Staff

This remuneration policy applies to all the employees of the Company. Nevertheless, and according to the applicable regulations, the policy has to identify those members of staff whose professional activities may have a material impact on the institution's risk profile and to whom specific remuneration guidelines may apply. For this purpose, QCPAM has identified the following categories staff that qualify to the effect of this remuneration policy as identified staff:

- Executive management, this is the CEO of the Company (Conducting Officer)
- Other members of the Management Committee of the Company, including:
  - head of Portfolio Management (Conducting Officer);
  - head of Risk Management (Conducting Officer);
  - Valuation officer (Conducting Officer);
  - head of Compliance;
  - head of Operations; and
  - head of Finance.

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[2] Retention period: period of time during which variable remuneration that has been already vested and paid out in the form of instruments cannot be sold.

[3] ESMA letter dated March 31st, 2016 and addressed to the European Commission, the European Parliament, and the Council of the European Union on "Proportionality principle and remuneration rules in the financial sector".

[4] CSSF 18/698 paragraph 391.

- Other material risk-takers:
    - head of Information Technology; and
    - head of QCPAM France branch.
- Other staff:
    - Sales staff, fully employed by the Company, on or above the same remuneration level than senior management.

6. Conflicts of Interest

The Company maintains and operates effective organizational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest with its clients and other third parties. As described in QCPAM's Conflict of Interest Policy, remuneration matters have to be taken into account for the purpose of minimizing and controlling potential conflict of interest with clients, investors, and other third parties. In general terms, this remuneration policy and its remuneration guidelines and procedures should not contribute to favor behaviors or conducts that could lead to a conflict of interest.

Remuneration guidelines have to assure that there is no any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

Governance principles that apply to this remuneration policy have been designed to prevent potential conflict of interest related to the supervision and the management of remunerations.

In general, the remuneration structure of QCPAM's staff includes a fixed remuneration (comprised of fixed salary and other fringe benefits advantages) and a variable remuneration. The proportion between variable and fixed remuneration may vary according to the position involved, market conditions, and the evolution of the specific context in which QCPAM develops its activities.

Nevertheless, a notion of fairness should be respected between the fixed and variable remuneration components. Particularly, the fixed element should represent a significant proportion of total remuneration in order that QCPAM could develop a sufficiently resilient variable remuneration policy.

7. Fixed compensation

This concept includes salaries (fixed remuneration) and other periodical fringe benefit advantages (including, among others, pension fund contributions, lunch vouchers, company car, or medical insurance) that are paid on an ongoing basis and that are fixed in nature and that are not subject to a performance evaluation of the related staff person.

For each position, the fixed compensation (i.e. fixed remuneration plus fixed fringe benefits) is determined based on prevailing market conditions and contractual arrangements that are related to the complexity, relevance, and seniority of the position.

8. Variable remuneration

Variable remuneration encompasses the annual bonus of each staff member that is subject to an individual annual appraisal based on quantitative and qualitative criteria that include the related position and the actual performance (See section 17 below).

Variable remuneration pool is determined at the Company basis within the annual budgetary process and is the result of estimating target bonus for each staff member in principle eligible for such compensation and then aggregating all the individual amounts. The total bonus pool is also determined in connection with estimated revenues and net income, prior-year bonus, and the ratio between fixed and variable remuneration.

The bonus expense is clearly stated in the annual budget that is subject to formal approval by the Board of Directors in respect of each financial year.

Based on the actual financial performance of the Company the actual bonus pool can be decreased or increased in respect of the budget amount with the approval of initially the Remuneration Committee and later on of the Board of Directors.

There are not any pension benefit or any pension contribution that has a variable or discretionary component.

9. Other advantages

As a complement to fixed and variable remuneration, employees may benefit from other fixed compensation that is not related in any case to performance and that has the consideration of fixed remuneration. These fixed remuneration components may include, among other things, non-discretional pension contributions, company-car, lunch allowances, or medical insurance.

10. Sign-on bonus

Exceptionally, QCPAM could grant sign-on bonuses. These bonuses can only apply to new recruitments and limited to the first year of service. The awarding of such a bonus will require the approval of the Remuneration Committee as it is defined below.

11. Guaranteed bonus

QCPAM will not accord guaranteed bonuses other than those that are foreseen by the law in respect of the first year of service and that it may accord in some cases.

12. Severance payment

The contractual indemnities that QCPAM could pay in connection with the early termination of a labor contract should have a link with effective performance and they should be designed to avoid the compensation of failure.

13. Ex-post Risk Adjustment

QCPAM could request from its employees that they reimburse partially or in full the already granted bonuses, using a mechanism of surcharge (malus) applied to the variable remuneration, under the following conditions:

- as a result of misbehavior, serious offense (fail to abide to the internal procedures or the internal rules and regulations), or fraudulent behavior of an employee (claw back);
- when QCPAM or the involved department had suffered a significant decrease in its financial performance;
- when QCPAM or the involved department had suffered a risk management problem that could be related to the performance of the affected employee.

14. Prohibition of Hedging

Most of the investments managed by QCPAM are related to non-tradable assets and therefore the ability of a third party to hedge the remuneration related to the performance of the underlying investments and indirectly of the Company is limited or unfeasible.

Nevertheless, this policy explicitly forbids that any member of the staff of Company (identified staff or not) enters in any kind of hedge or insurance contract to cover the potential reduction in his or her bonus compensation.

This restriction, however, does not affect the ability or the right of a staff member to enter into insurance contracts that may cover personal payments such as health care expenses or mortgage installments.

15. Sustainability Related Matters

According to article 5 of SFDR, "Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks[5], and shall publish that information on their websites.”

As stated in section 3 above, QCPAM does not promote in any case the assumption of excessive sustainability risk either in the management of the Company or in the way its portfolios are managed. Furthermore, variable remuneration is not linked to the specific performance of any portfolio or fund and therefore there is not any explicit or implicit incentive to assume undue sustainability risk. As mentioned in section 17 below, the overall attitude of each professional towards risk management is a key qualitative variable remuneration assessment criteria.

16. Board Member Remuneration

Board members of the Company may be or not remunerated. For those that are remunerated, their compensation can be determined in the bylaws or in absence of specific dispositions their remuneration should be established annually by the shareholders’ meeting of QCPAM. In any case, this remuneration should be in line with market standards and with the experience and seniority of the related board member subject to a remuneration arrangement.

17. Determining Variable Remuneration: Quantitative and Qualitative Criteria

Variable remuneration is determined, in general terms, considering quantitative and qualitative criteria. The significant and weight of each type of criteria may change depending on the position of each staff member. These criteria are subject to annual discussion between management and each staff member.

For all positions, risk considerations are a key component to determine the level of variable remuneration of each eligible staff member, including the level of risk awareness, the attitude in respect of risks, and the actual risk management capabilities.

In general, variable remuneration should not exceed 100% of annual fixed remuneration, including control functions. Under exception circumstances and with specific shareholders’ approval this limit of the variable remuneration can be increased up to 200% of fixed remuneration.

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[5] Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

The performance element of variable remuneration will pay attention to individual, unit, and company levels.

The sub-sections below detail the main criteria that apply per type of role within the Company, considering the requisites of the position and the specific requirements that may apply, for instance, to certain control functions.

17.1. Executive Positions

Variable remuneration of executive management (the CEO of the Company) is related to annual evaluation of a number of themes including the budget for the year. These themes are related, among other matters, to strategy implementation, business development, economic performance, or risk control at the company level. Each of these topics will have a specific weight to determine the level of variable remuneration as a percentage of a target variable remuneration that would have been established for the year.

17.2. Control Functions

Control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control.

For the assessment of these positions, qualitative criteria will have, in general, a weight of 60% and quantitative criteria a weight of 40%. Qualitative indicators may include the mastering of the position, technical competencies with a particular attention to risk management, development of new methodologies, regulation knowledge, or the quality of task execution. Quantitative guidelines may encompass reporting frequency and timeliness or control plan accomplishment.

17.3. Other Material Risk-Takers

The variable remuneration of these staff category will be subject as well to weight allocation between the qualitative and the quantitative criteria of 60 and 40%. In this regard, qualitative criteria refer to the mastering of the position, technical knowledge, and the quality of the service provided to other units of the Company. Quantitative guidelines will be measured as a function of the related activity variables.

The performance element of variable remuneration will pay attention to individual, unit, and company levels.

17.4. Other Staff

Other staff will be annually evaluated based on the quantitative and qualitative criteria that will be established by function and that should pay particular attention to the technical knowledge of the staff, the consideration paid to risk management issues, the respect of applicable regulations, the contribution to the performance of the particular area, and the general contribution to the performance of the Company.

For staff that has a specific capital raising role, his or her variable remuneration will be mostly related to the accomplishment of the predefined activity targets.

18. Governance

The implementation and management of this remuneration policy are subject to the applicable regulations and to the guidelines established by the Group on this matter. At different levels, the Board of the Company, directly and through its Remuneration Committee, executive management, and control functions have a role in the definition and implementation of this policy and the related remuneration practices.

18.1. The Board of Directors

The Board of Directors has the ultimate responsibility (with the support of the Remuneration Committee) to discuss and approve this remuneration policy and to assure that remuneration matters are implemented in accordance with the policy. To this end, the Board has the following prerogatives:

- to define the general principles governing the policy;
- is responsible of the regular review and implementation of the general principles of the remuneration policy; and
- to approve, upon the Remuneration Committee's advice, the remuneration of Executive Management and Management Committee.

18.2. Remuneration Committee

The Remuneration Committee (a delegated committee of the Board of Directors) is responsible for the preparation of decisions regarding remunerations, in particular those having an impact on the risk and the risk management of the Company or the portfolios it manages, and is the governing body to which the Directors will appeal to in the execution of their surveillance role on remuneration matters.

The Remuneration Committee is chaired by a member of the Board that has no executive functions in the Company. The members of the Remuneration Committee are non-executive members of the Company.

The Remuneration Committee examines the remuneration policy and address its recommendations to the Board of Directors. It advises to the Board of Directors regarding the total amount of remuneration of the member of the Executive Management and the Management Committee.

18.3. Executive Management

Executive Management ensures that this policy is fairly applied in respect of all its guidelines on an ongoing basis. Also, executive management ensures that remuneration practices are consistent with the strategy of the Company and with the guidelines of the remuneration committee.

Annually, Executive Management, with the input when required of the members of the Management Committee, proposes to the Remuneration Committees the variable remunerations for each person of the staff that is eligible for such compensation.

18.4. Control Functions

Control functions (i.e. internal audit, risk management, compliance) should be involved in the design, ongoing oversight, and review of remuneration policies. In cooperation with Executive Management and the Board of Directors, the Control Functions will ensure that remuneration policies promote and support an effective risk management. More specifically, Risk Management should assess how the remuneration structure affects the risk profile of the Company.

The actual implementation of remuneration policies and practices by the Company is annually reviewed by the Control Functions and the outcome of their analysis is discussed and reported to the Board of Directors and to the Remuneration and Audit and Risk Committees of the Board.

19. Disclosure

Information related to the remuneration practices of the Company requires to be disclosed internally and externally following regulatory and transparency requirements. These communications should be performed on a clear and easily understandable way to the relevant stakeholders. The notifications may take the form of a remuneration policy statement, a periodic disclosure in the annual financial statements of the Company or any of the portfolio it manages, or any other form (including the use of the Company's website).

19.1. Internal Communication

Using different communication channels (including the Company's intranet), QCPAM informs the concerned personnel about all the relevant elements of the Policy (and its updates) that is applicable. Particularly, the staff is informed about the link between variable remuneration and performance, the criteria used to measure performance and the consideration of the risks undertaken.

Management may discuss with the concerned staff member the application of the various elements of the policy at the annual assessment and at any other time.

19.2. External Reporting

The Company has to disclose to different external stakeholders some information related to its remuneration policy and practices including a full reference to this policy in the QCPAM's website. Information on remuneration amounts and practices is required in the annual report of the Company and in the periodical reports of the investment vehicles it manages:

- In the annual report of the AIFs under management by indicating[6]:
  - the total amount of remuneration for the financial year, split into fixed and variable
    remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF;
  - the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF.
- QCPAM's annual report should include information on[7]:
  - break down of total staff costs
  - average and year end full-time equivalent employee figures
  - remuneration paid to Executive Management during the year split between fixed and variable
  - Disclosure, in respect of Executive Management, of any post-employment plans, advances or loans, or engagement or commitment in its favor.
  - Compensation paid to Board Members not being part of the Executive Management.

20. Delegate Remuneration Policy

QCPAM may delegate for certain portfolios the portfolio management responsibility to eligible counterparts (portfolio sub-managers). In this situation the sub-manager is subject to an initial regulatory and qualitative assessment by the departments of Portfolio Management and Delegate Monitoring and to subsequent ongoing monitoring. Additionally, the sub-manager has to provide the Company on a regular basis with a set of predefined KPIs in respect to its activity and organisation. Additionally, the periodic due diligence updates look at these indicated matters as well as to the applicable policies and procedures.

As part of the initial and ongoing delegate monitoring and assessment process, the Company has to assure that the sub-manager is subject to (and also applies) similar

[6] *2013 Law. Article 20-2 (e) and (f).*

[7] *2002 Law. Article 65-12 and 13.*

remuneration criteria to those defined in the AIFM Directive and related dispositions and in this remuneration policy. The Company in its monitoring and assessment process of a sub-manager has to assure the equivalence of the applicable norms to those applied to QCPAM as well of its effectiveness.

These remuneration rules and restrictions should be stated in the contract signed with each sub-manager that covers all aspects of the portfolio management delegation. The contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of the Company.

Portfolio management delegation also has ongoing disclosure implications. The remuneration related disclosures are covered in:

- AIFM Directive, art. 22-2(e). The annual report (of and AIF) shall at least contain the following: … the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF.
- Regulation 231, art 107. Remuneration disclosure. This disposition requires to provide remuneration information at the AIFM or AIF level, report on the carried interest if applicable, and on the financial and non-financial criteria use to define remuneration policies and practices, disclosing enough information to allow investors to understand the incentives created, the risk profile of the AIF, and the measures adopted to avoid or manage conflicts of interest.

According to ESMA-AIFMD Q&A. Section I. Remuneration. Question 6, the Company can fulfill de remuneration disclosure requirements in respect of the delegated portfolio managers and the related AIFs in two ways:

i) When the delegate is subject to regulatory requirements similar to those included in the AIFM Directive and related dispositions, the Company should use the information provided by the delegate to fulfill the aforementioned reporting obligations; and

ii) otherwise, the delegation agreement should include covenants to assure that the delegate provides the Company (for its disclosure in the annual related AIF report) enough information on total remuneration for the financial year, the split between fixed and variable remuneration, paid by the AIF and/or the AIFM to the identified staff of the delegate – and number of beneficiaries, and, where relevant, carried interest – which is linked to the delegated portfolio. This means that the disclosure should be done on a prorated basis for the part of the AIF's assets which are managed by the identified staff within the delegate.

The Delegation and Supervision policy contains a section that covers in detail this obligation and the related process to assure that these requirements are respected by each portfolio sub-manager.

21. Policy Update

This policy requires to be reviewed and updated on an annual basis or before if some business or regulatory changes require to do so.

Annex I: Regulations and Dispositions with Relevance on Remuneration Matters

Regulation / Text	Date	Referred as
Law of 10 August 1915 regarding commercial companies, as amended (Luxembourg).	1915-08-10	1915 Law
Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings as amended.	2002-12-19	2002 Law
Circular CSSF 10/437. Guidelines concerning the remuneration policies in the financial sector.	2010-02-01	CSSF 10/437
Directive 2011/61/EU on Alternative Investment Fund Managers.	2011-06-08	AIFM Directive
Commission Delegated Regulation (EU) 231/2013 supplementing Directive 2011/61/EU.	2012-12-19	Regulation 231
Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.	2013-06-26	Directive 2013/36
Regulation 575/2013 on prudential requirements for credit institutions and investment firms.	2013-06-26	Regulation 575
ESMA-2013/232 Guidelines on sound remuneration policies under the AIFMD.	2013-07-03	ESMA-RP1-AIFMD
Luxembourg Law of 12 July 2013 on alternative investment fund managers.	2013-07-12	2013 Law
ESMA/2016/411 — Guidelines on sound remuneration policies under the UCITS Directive and AIFMD.	2016-03-31	ESMA-GSRPUA
Law of 10 May 2016 transposing Directive 2014/91/EU and modifying the 2010 Law and the 2013 Law (depositary function, remuneration policies, and sanctions).	2016-05-10	2016 Law
ESMA-2016/579 Guidelines on sound remuneration policies under the AIFMD.	2016-10-14	ESMA-RP2-AIFMD
Circular 18/698 on Authorization and organisation of investment fund managers incorporated under Luxembourg law.	2018-08-23	CSSF 18/698
Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector .	2019-11-27	SFDR

Regulation / Text	Date	Referred as
ESMA34-32-352. Questions and Answers. Application of the AIFMD.	2019-12-04	ESMA-AIFMD Q&A
EBA/GL/2021/04. Guidelines on sound remuneration policies under Directive 2013/36/EU.	2021-07-02	EBA/GL/2021/04
Circular CSSF 22/797. Application of the Guidelines of the European Banking Authority on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) 2) Repeal of Circulars CSSF 17/658 and 11/505.	2022-01-31	CSSF 22/797

Annex II: Alignment with 2013 Law-Annex II on Remuneration Policy Principles

2013 Law's reference	QCPAM's Remuneration Policy reference
1. When establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the AIFMs or of AIFs they manage, AIFMs must comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:	QCPAM has identified the categories of staff that following the applicable regulation fall into the definition of persons having material impact of the risk profiles of the company and/or the AIFs that it manages.
a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, management regulations or instruments of incorporation of the AIFs they manage;	Proportionality and limitation on the risk taking: as a general matter, in the frame of its activities, QCPAM ensures to follow a limited and measured risk policy. No element of the Remuneration Policy facilitates the undertaking of excessive or undue risks.
b) the remuneration policy is in line with the business strategy, objectives, values and interests of the AIFM and the AIFs it manages or the investors of such AIFs, and includes measures to avoid conflicts of interest;	The remuneration policy aims, on its principles, to align the strategy, objectives, values, and interests of the company and therefore to comply with the principles ruling client and investors' protection while providing services.
c) the management body of the AIFM, in its supervisory function, adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation; d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the management body in its supervisory function; e) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control; f) the remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee;	The remuneration committee examines the remuneration policy and address recommendations to the Board of Directors. It advices to the Board of Directors regarding the total amount of remuneration of the member of the Management Committee as it is proposed by its Chairman. Likewise, the Remuneration Committee advices the Board of Directors, the CEO, and the Chairman of the Board of Directors. The Remuneration Committee is responsible for the preparation of decisions regarding remunerations, in particular those having an impact on the risk and the risk management of the company or the AIFs, and it is the governing body that the directors will appeal in the execution of the surveillance role.

2013 Law's reference	QCPAM's Remuneration Policy reference
g) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the AIFM, and when assessing individual performance, financial as well as non-financial criteria are taken into account;	The remuneration package comprises a fixed remuneration, a variable remuneration, and other advantages when applicable. The proportion between variable and fixed remuneration may vary according to the position involved, market conditions, and the evolution of the specific context in which QCPAM develops its activities.
h) The Remuneration Committee is responsible for the preparation of decisions regarding remunerations, in particular those having an impact on the risk and the risk management of the company or the AIFs managed, and is the governing body that the directors will appeal in the execution of the surveillance role.	The Remuneration Committee is responsible for the preparation of decisions regarding remunerations, in particular those having an impact on the risk and the risk management of the company or the AIFs managed, and is the governing body that the directors will appeal in the execution of the surveillance role.
i) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year;	Sign-on bonus: Exceptionally, QCPAM could grant sign-on bonuses. These bonuses can only apply to new recruitments and limited to the first year of service. The awarding of such a bonus will require the approval of the Remuneration Committee.
j) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component;	The remuneration package comprises a fixed remuneration, a variable remuneration, and other advantages when applicable. The proportion between variable and fixed remuneration may vary according to the position involved, market conditions, and the evolution of the specific context in which QCPAM develops its activities.
k) payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;	Severance payment: The contractual indemnities that QCPAM could pay in connection with the early termination of a labour contract should have a link with the effective performance and they should be designed to avoid the compensation of failure. No contract foresee any special arrangement for this situation.
l) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;	Performance and responsibility: the variable remuneration rewards the performance of QCPAM's employees and not the seniority. It can be adapted depending on the individual and collective performances observed in the short and long term. The measurement of the performances is understood as quantitative and qualitative taking a special attention to the corollary risks taken on individual and collective level.

<table>
<tr><th>2013 Law's reference</th><th>QCPAM's Remuneration Policy reference</th></tr>
<tr><td>m) subject to the legal structure of the AIF and its management regulations or instruments of incorporation, a substantial portion, and in any event at least 50 % of any variable remuneration consists of units or shares of the AIF concerned, or equivalent ownership interests, or share- linked instruments or equivalent non-cash instruments, unless the management of AIFs accounts for less than 50 % of the total portfolio managed by the AIFM, in which case the minimum of 50 % does not apply.
The instruments referred to in this point shall be subject to an appropriate retention policy designed to align incentives with the interests of the AIFM and the AIFs it manages and the investors of such AIFs. This point shall be applied to both the portion of the variable remuneration component deferred in line with point (n) and the portion of the variable remuneration component not deferred;</td><td>QCPAM does not foresee the payment of variable remuneration in the form of shares of any of the AIFs it manages for the avoidance of conflict of interests; therefore this point is not applicable to QCPAM's remuneration policy.</td></tr>
<tr><td>n) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned and is correctly aligned with the nature of the risks of the AIF in question. The period referred to in this point shall be at least three to five years unless the life cycle of the AIF concerned is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60 % of the amount is deferred;
o) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the AIFM as a whole, and justified according to the performance of the business unit, the AIF and the individual concerned.
The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the AIFM or of the AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;</td><td>Partial or full reimbursement of bonuses: QCPAM could request from its employees that they reimburse partially or in full the already granted bonuses, using a mechanism of surcharge applied to the variable remuneration, under the following conditions:
as a result of misbehaviour, serious offence (fail to abide to the internal procedures or the internal rules and regulations), or fraudulent behaviour of an employee (claw back);
when QCPAM or the involved department had suffered a significant decrease in its financial performance;
when QCPAM or the involved department had suffered a risk management problem.</td></tr>
</table>

2013 Law's reference	QCPAM's Remuneration Policy reference
p) the pension policy is in line with the business strategy, objectives, values and long-term interests of the AIFM and the AIFs it manages. If the employee leaves the AIFM before retirement, discretionary pension benefits shall be held by the AIFM for a period of five years in the form of instruments defined in point (m). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (m), subject to a five year retention period;	The pension plan is has been implemented with a standard contract and included in the basic remuneration package for every employee and it's not linked to the performance of the staff member.
q) Staff are required to undertake not to use personal hedging strategies or remuneration and liability insurance to undermine the risk alignment effects embedded in their remuneration arrangements	Staff are not expected or encouraged to use any hedging mechanisms for remuneration coverage purposes at individual level.
r) variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of this Directive.	Variable remuneration will be always paid in cash or short term financial instruments to the staff member in alignment with the applicable legislation. The use of vehicles or other methods that will compromise the compliance of the remuneration policy to Applicable laws and Regulations is strictly forbidden.
2. The principles set out in point 1. shall apply to remuneration of any type paid by the AIFM, to any amount paid directly by the AIF itself, including carried interest, and to any transfer of units or shares of the AIF, made to the benefits of those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile or the risk profiles of the AIF that they manage.	QCPAM does not promote the payment of carried interest to its employees

2013 Law's reference	QCPAM's Remuneration Policy reference
3. AIFMs that are significant in terms of their size or the size of the AIFs they manage, their internal organisation and the nature, the scope and the complexity of their activities must establish a remuneration committee. The remuneration committee shall be constituted in a way that enables it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk. The remuneration committee shall be responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk and risk management of the AIFM or the AIF concerned and which are to be taken by the management body in its supervisory function. The remuneration committee shall be chaired by a member of the management body who does not perform any executive functions in the AIFM concerned. The members of the remuneration committee shall be members of the management body who do not perform any executive functions in the AIFM concerned.	In line with the group's policy, QCPAM has created a Remuneration Committee that independently advises the Board of Directors regarding remuneration matters.