



REMUNERATION POLICY

ALPHA PRIVATE EQUITY FUNDS MANAGEMENT COMPANY
(the “Company”)

ALPHA PRIVATE EQUITY FUNDS MANAGEMENT COMPANY
Société à Responsabilité Limitée

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Approved by the Board of Managers of the Company on 12 August 2025

Revision history

Date	Reason for review	Comments/Changes
15 November 2016	Adoption of original	
September 2022	Annual review	Regulatory framework, Board responsibility updated
August 2023	Annual review	Update on the variable remuneration
May 2024	Annual review	
June 2025	Annual review	

This document describes the way Alpha Private Equity Funds Management Company, acting as Alternative Investment Fund Manager (the "Company" , the "AIFM" or "ALPHA") of any Alternative Investment Fund (the Fund or the AIF), has organized its remuneration scheme in order to encourage a good performance from its employees while reducing the risk associated with its activities.

1. Scope, objectives and preamble

1.1 Purpose and Scope

ALPHA is an alternative investment fund manager established and organized under Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended, transposing into Luxembourg law the Alternative Investment Fund Manager Directive 2011/61/EU (the "AIFM Law").

The remuneration policy (the "Policy") of ALPHA applies to all staff which includes the members of the Board of Managers, and the Senior Management approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") of ALPHA.

The Policy is set-up with regard to the requirements of:

- the CSSF Circular 10/437 on guidelines concerning the remuneration policies in the financial sector,
- the CSSF Circular 18/698 on Authorisation and organisation of investment fund managers incorporated under Luxembourg law and Specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent
- the Annex II of the 15 July 2013 Law on alternative investment fund managers (the "AIFMD Law") and
- the European Securities and Markets Authority's Guidelines on sound remuneration policies under the AIFMD 2013/232, dated 3 July 2013.

In accordance with the AIFM Law, the AIFM shall establish, implement and maintain a remuneration policy which is consistent with and promotes sound and effective Risk Management and which does not induce excessive risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIF managed by the AIFM. The remuneration policy is aligned with the business strategy, objectives, values and the interests of the Company, funds managed and investors in such funds and includes measures to avoid conflict of interests.

Remuneration has a direct or indirect influence on people's behaviour. Variable remuneration may encourage staff to take undesirable or irresponsible risks in the hope of making more profit and thus increasing his/her variable remuneration. The fixed and variable components of total remuneration must be appropriately balanced.

Furthermore, staff members may be tempted to 'play' with or manipulate information with a view to making their (measured) performance look better. E.g. if the variable part of the remuneration consists predominantly of remuneration instruments that are paid out immediately, without any deferral or ex post risk adjustment mechanisms (malus or claw back), and/or are based on a formula that links variable remuneration to current year revenues rather than risk-adjusted profit, there are strong incentives for managers to ignore risk factors.

In its capacity as AIFM, ALPHA is consequently ultimately responsible for the remuneration policy. The remuneration policy shall aim to support the business strategy, objectives and sustainable growth of the Fund(s) on one hand, and be guided at all times by the principle of investors' protection on the other hand. It should enable the AIFM to align the interests of the AIFs and their investors with those of the *identified staff* that manages such AIFs, and to achieve and maintain a sound financial situation. It shall also take into account the size, the nature and the complexity of the activities of the Funds.

The purpose of this policy is to clearly define the general principles adopted by the Fund on sound remuneration policy and practices as a way to:

- a) promote sound and effective risk management;
- b) mitigate factors capable of encouraging excessive risk-taking which is inconsistent with its risk appetite or the risk profile of the Funds;
- c) set up measures to avoid conflicts of interest.

The Company's ESG policy sets out how its investment process incorporates a consideration of ESG risks. Such risks form part of the Company's assessment of risk for the purposes of this remuneration policy (in the way that will be described under the section "Remuneration Policy").

As per Article 5 of the 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 ("SFDR"), the Company is required to include in its remuneration policy information on how the policy is consistent with the integration of sustainability risks and shall publish that information on its website.

It has to be noted that all Identified Staff are remunerated with a combination of fixed and

variable discretionary remuneration where the performance of the AIF does not directly impact the remuneration of the Identified Staff.

Bearing that in mind there is no risk misalignment with the sustainability risks associated with the investment decision-making process of the AIFM with regards to the AIFs it manages.

The Portfolio Manager's comprehensively evaluates material short-term and long-term ESG risks and opportunities for each transaction. Material ESG risks and opportunities are defined as those which may have a meaningful impact on the financial performance of a transaction. The Portfolio Manager is expected to report any identified material ESG issues during the due diligence process to the Committee and the ESG steering committee.

1.2 Members of staff covered by this policy

This policy is applicable to the following categories of staff of ALPHA whose professional activities have a material impact on the risk profile of the Fund:

- Executive and non-executive members of the governing body of the AIFM, such as: directors, the chief executive officer and executive and non-executive partners.
- Senior management;
- Risk takers such as staff members who can exert material influence on the AIFM's risk profile or on an AIF it manages, including persons capable of entering into contracts/positions and taking decisions that materially affect the risk positions of the AIFM or of an AIF it manages;
- control functions; and
- Any employee receiving total remuneration that takes them into the same bracket as senior management and risk takers whose professional activities are considered to have a material impact on the risk profile of the AIFM or of the Funds it manages (known as Identified Staff), in a way and to the extent appropriate, given the size, internal organisation and the nature, scope and complexity of the AIFM and the Funds it manages.

This policy applies generally to all employees of the Company. However, some elements of the policy are applicable only to the Identified Staff of the Company. Identified Staff may also not be direct employees of the Company.

Identified Staff can be interpreted to mean:

- (i) Board managers of the Company;
- (ii) Senior management of the Company;
- (iii) Staff responsible for risk management and compliance functions; and
- (iv) Staff members whose professional activities can exert material influence on the risk profile of the Company or the Fund.

When assessing the materiality of influence on ALPHA risk profile or on a fund it manages, ALPHA defines what constitutes materiality within the context of fun it manages. The materiality thresholds are those foreseen by legal and regulatory requirements.

The AIFM shall maintain a list of Identified Staff subject to review on an annual basis, or each time there is a new appointment or promotion to a role that, prima facie, falls within the

category of Identified Staff (whichever is more frequent). Please refer to Appendix 1. All Identified Staff are presumed to be in scope of the policy unless it may be demonstrated that the individuals have no material impact on AIFM or the AIFs risk profile; such process must be documented, along with the rationale for de-scoping.

Fees and commissions received by external intermediaries, contractors or sub-contractors in case of outsourced activities are not in the scope of this policy. Reimbursement of business/travel expenses is not considered as a remuneration element.

As a financial services firm, our business is driven by intellectual capital. One of our greatest assets is the collective skill, experience and efforts of our employees. We compete for professional talent with a large number of financial services companies. To achieve our long-term strategic priorities, it is critical that we are able to attract, retain and motivate talented professionals who are committed to these priorities.

Furthermore, even though this policy refers to a variable remuneration and foresees the use of such as per the legal requirements, for the time being none of the Identified Staff received a variable remuneration. Consequently those parts shall be considered as null and non-applicable to them.

The policy focuses on ensuring sound and effective risk management through:

- A stringent process for setting goals and communicating these goals to employees;
- Including both financial and non-financial goals in performance and results assessments;
- Alignment with the principle of protection of clients, shareholders, companies managed by ALPHA and prevention of conflict of interest.
- Ensuring fixed remuneration forms a significant proportion of total remuneration; and
- Ensuring that variable remuneration structures for 'identified staff' do not reward excessive risk taking by appropriately aligning these remuneration structures with the requirements of the AIFM Directive and applicable Luxembourg Law.

2. Remuneration rules

In accordance with ESMA "Guidelines on sound remuneration policies under AIFMD", the Company intends to apply the proportionality principle and to disregard retention and deferral rules as set-forth under Annex II "Remuneration Policy" of the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers (the "AIFM Law").

In respect of Identified Staff, the concept of proportionality may be used to dis-apply the "Pay-Out Process Rules".

2.1 Proportionality factors

Criteria relevant to the application of proportionality are the size of the AIFM and of the AIFs it manages, its internal organization and the nature, scope and complexity of its activities ("Proportionality Factors").

a) Size

The size criterion can relate to the value of the AIFM capital and to the value of the assets under management (including any assets acquired through the use of leverage) of the AIFs that the AIFM manages; liabilities or risks exposure of the AIFM and of the AIFs that it manages; as well as the number of staff, branches or subsidiaries of an AIFM. The general obligation to have sound remuneration policies and practices applies to all AIFMs, regardless of their size or systemic importance. The contemplated Assets Under Management (the "AUM") to be reached within five years by the Company, through the AIFs under management, should not exceed EUR 1,5 billion at the highest.

The AIFs themselves will qualify as Investment Companies in Risk Capital ("SICAR") and are subject to the supervision of the CSSF.

b) Internal and external organisation of the Company

This can relate for example to the legal structure of the AIFM or the AIFs it manages, the complexity of the internal governance structure of the AIFM, the listing on regulated markets of the AIFM or the AIFs it manages.

The Company has and will have a limited number of staff members. This is linked to the nature of its activities and to the fact that a number of activities, such as the custody of assets, the registrar and transfer agent activities are outsourced.

The internal organisation of the Company remains simple and clear.

c) Nature Scope and Complexity of the Company's activities

In considering this criterion, the underlying risk profiles of the business activities that are carried out, should be taken into account. Relevant elements can be:

- the type of authorized activity;
- the type of investment policies and strategies of the AIFs managed by the AIFM;
- the national or cross-border nature of the business activities (AIFM managing and/or marketing AIFs in one or more EU or non-EU jurisdictions); and
- the additional management of UCITS.

The Company is by nature carrying out a non-complex activity. The Company only manages two funds for the moment and will not manage many funds in the future (up to 3 at the same time), which will invest in only one strategy and one type of asset class.

Besides, the restrictions of the investment policy defined in the Funds' constitutional documents will always limit the discretion of the Company over the management on the Funds it manages.

The Company and the Funds it manages may not borrow money except in very particular

situations as described in the constitutional documents of the Funds, for a limited period of time.

2.2 Proportionality principle

The structure of the AIFM which is relatively simple calls for the application of proportionality principles as long as it is reconcilable with the risk profile, risk appetite and the strategy of the AIFM and the AIFs it manages. Under the proportionality principle the only requirements that may be dis-applied are as follows:

a) Payout process

This means that the AIFM, either for the total of its identified staff or for some categories within its identified staff, may decide not to apply the requirements on:

- variable remuneration in instruments;
- retention;
- deferral;

In order to align the actual payment of remuneration to the business cycle of the institution and the business risks, the variable remuneration is partly paid upfront (short-term) and partly deferred (long-term).

The short-term component is paid directly after the award and rewards staff for performance delivered in the accrual period. The long-term component is awarded to staff during and after the deferral period. It rewards staff for the sustainability of the performance in the long term, which is the result of decisions taken in the past.

b) Ex post incorporation of risk for a variable remuneration

Before paying out the deferred part, a reassessment of the performance and, if necessary, a risk adjustment is required in order to align variable remuneration to risks and errors in the performance and risk assessments (including sustainability risks) that have appeared since the staff members were awarded their variable remuneration component.

This so-called ex post risk adjustment is always necessary, because at the time remuneration is awarded, the ultimate performance cannot be assessed without uncertainty.

Ex-ante adjustments are applied to ensure that the variable remuneration is fully aligned with the full range of current and potential (unexpected) risks associated with the activities undertaken. When measuring the profitability of the institution and its business units, the measurement should be based on net revenue where all direct and indirect costs related to the activity are included. Qualitative measures may include risk and control considerations such as compliance breaches, risk limit breaches and internal control breakdowns (e.g. based on internal audit results).

Although remuneration is aligned through *ex-ante risk adjustments*, due to uncertainty, *ex-post* risk adjustments are needed to keep incentives fully aligned. This can only be done if part of

the remuneration has been deferred. To align incentives further, a substantial portion of variable remuneration of all staff members covered by those requirements should consist of shares or share-linked **instruments** of the company subject to its legal structure. One of the basic purposes for remunerating staff in instruments is to put the staff into an owner-like position in order to align the staff's interests with those of the stakeholders, esp. of the owners. The owner-like position incentivises the staff to increase the company's value. This added value will then be reflected in the instruments' value.

The *retention period* should be sufficient to align incentives with the longer term interests of the company. Upfront payment of instruments, even with a minimum retention period of, for example, 3 years, is not equivalent to deferred instruments. Instruments paid upfront belong to the staff member which imply that no malus clauses can be applied to them. On the contrary, deferred instruments are subject to an ex-post risk adjustment, possibly leading to a reduction in the number of instruments that will eventually be paid out.

The variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the company as a whole, and justified according to the performance of the company, the business unit and the individual concerned.

c) Remuneration committee

Institutions that are significant in terms of their size, internal organisation and the nature, scope and complexity of their activities should establish a Remuneration Committee. This is currently not the case for the Company.

2.3 Assessment of the proportionality principle

An analysis of the Proportionality Factors shall be undertaken annually or when an AIF falls In-Scope (whichever comes first) and documented.

The AIFM shall perform an assessment for each of the remuneration requirements that may be dis-applied and shall be able to explain to competent authorities, if requested, the rationale for every single requirement that is dis-applied.¹ Based on this assessment and the analysis of the proportionality factors, the AIFM has undertaken to neutralise the following remuneration requirements as allowed under the proportionality principle (as listed above):

- Indeed due to the illiquid nature of the investments of the Funds and the fact that the Funds are a closed-ended vehicles, re-investment of part of the variable remuneration perceived in units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments will not be feasible after the closing.

Due to the reasons set out above, the retention requirement and the deferred

¹ Chapter VII.I of ESMA 2013/232 Article 25: Disapplication should never be automatic, AIFMs should perform an assessment for each of the remuneration requirements that may be disapplied and determine whether proportionality allows them not to apply each individual requirement.

payment of variable remuneration (points m) and n) of the Annex II of the AIFM Law) will be disapplied. In practice, as described in the remuneration policy, the use of a variable remuneration is extremely limited in the Company. The payment of variable remuneration is always decided subject to a favourable financial situation of the Company, as stipulated in point o) of Annex II of the AIFM Law.

- Finally, considering the internal organisation and the small size of the Company, the establishment of a remuneration committee may be disregarded.

3. Applicability of the policy

3.1 Identified Staff

Pursuant to article 12 of the AIFM Law and the ESMA Guidelines 2013/232 on sound remuneration policies under the AIFM Directive (the "**ESMA Guidelines**"), the present remuneration policy will apply to those staff members whose professional activities have a material impact on the risk profiles of the Company or of the Funds. Those staff members have been identified and comprise all the persons who fall within the definition of Identified Staff as listed in appendix 1

3.2 Structure of the remuneration

In accordance with Luxembourg labour market practice, a remuneration may include benefits, a fixed and a variable component or a bonus which may be performance-related or based on labour union collective agreements. While the fixed component of the remuneration is regarded as the result of the assessment of the candidate's profile and level of expertise in the specific context in which the Funds operate, the remuneration policy advocates for an appropriate balance between the fixed and variable remuneration components.

In general, the manner in which the staff and appointed representatives are remunerated must not prevent these persons from complying with their obligation to act in the best interest of clients. The remuneration may not be largely dependent on targets for the sale or profitability of investment products or financial instruments. Detailed application of the remuneration rules may vary at an individual level and is communicated directly to each of the Identified Staff.

a) Fixed and variable components

In accordance with point 10 of the ESMA Guidelines, the Remuneration components in the context of this policy will be:

- Fixed Remuneration – including base salary and other corporate benefits; and
- Variable Remuneration – performance-based remuneration.

The fixed component of the remuneration is deemed to represent a sufficiently high proportion

of the total remuneration allowing the employer to operate a fully flexible bonus policy. The maximum limit on the variable component has been set **at 50%** of the total remuneration.

With respect to pension remuneration policy, there is no such compensation at all within the Company, the point p) of Annex II of the AIFM Law may therefore be ignored.

The following table describes each component of our compensation program for employees as well as its purpose and key measures:

Remuneration Type	Pay Element	What It Does	Key Measures
Fixed	Base salary	<ul style="list-style-type: none"> Provides competitive fixed pay at a level sufficient to operate a fully flexible policy with regard to variable remuneration components 	<ul style="list-style-type: none"> Experience, duties and scope of responsibility Internal and external market factors Reviewed from time to time and increased where budget set by the Company' Board allows and where market positioning does not already align with individual performance
Variable	Annual cash bonus	<ul style="list-style-type: none"> Provides a competitive annual incentive opportunity 	<ul style="list-style-type: none"> Based upon the Company' annual financial results and progress against long-term strategic objectives Allocations for each business area may be adjusted based on an assessment of financial and strategic achievements of each business area
Deferral policy	N/A	N/A	N/A
AIF linked compensation	N/A	N/A	N/A

b) Variable remuneration

Where the variable remuneration component is performance-related, its total amount shall be based on a combination of

- the assessment of the performance of the individual concerned and
- the overall results of the Company .

ALPHA measurement of performance used to calculate the variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types

of current and future risks.

c) Non-financial performance metrics

The adjustment of the variable remuneration is not based solely on financial metrics. Qualitative non-financial performance metrics form a significant part of the assessment process.

These metrics may include, for example:

- an employee's failure to adhere to effective risk management;
- an employee's failure to comply with applicable regulatory rules; and
- unethical behaviour or other behaviour that is contrary to Company's culture and values.

Consideration of these factors including where relevant an individual's contribution to the Firm's ESG-related efforts forms part of the employees' performance assessment process.

3.3 Remuneration criteria

The following criteria and guidance will apply for the different categories of staff:

Board Members

- (i) All the Company's Board members are considered as Identified Staff under the AIFM Directive.
- (ii) Fixed remuneration is decided based on the level of experience and on the level of time implication of each manager. It may vary from year to year depending on the evolution of those factors.

The remuneration of the Directors is set and defined by the shareholders of the AIFM, such decision being documented in the minutes of the shareholders meeting.

- (iii) As a general rule, Board members shall not receive any variable remuneration.
- (iv) For non-executive board members, the remuneration, if any, will never be linked to the short-term results of the Funds but shall be based solely on other factors such as the time dedicated to their function, attendance to board meetings and their respective responsibilities.
- (v) Such remuneration consisting of an annual flat fee shall be defined in their directorship agreement, if any.
- (vi) The AIFM is entrusted with the declaration and payment of the withholding tax due to the Luxembourg tax authorities in relation to the directors' fees.
- (vii) Where Board members may, upon request, be reimbursed by the Company of costs and expenses incurred by their activities as managers of the Company, provided they are sufficiently documents and justified, these out-of-pocket expenses are not in the scope of this policy.

Remuneration in Control Functions

- (i) The amount of incentives available for distribution to control functions, if any, is

- not determined by the performance of the Funds.
- (ii) They are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
- (iii) The remuneration of the senior officer in the risk management and compliance functions is directly and specifically overseen by the Board of Managers, in the absence of a remuneration committee. Please refer to the Risk Management Policy and to the Compliance Charter for further information.
- (iv) The internal audit function is delegated to an external and independent consulting firm, and is remunerated by way of an annual fixed fee.

Remuneration of Other Identified Staff

The Company has a robust process including input from Senior management, Compliance and Risk functions when determining Identified Staff.

- (i) Along with the Company's Board, other identified staff includes senior management who are responsible for overseeing the activities of the Company, and any other staff members whose professional activities are deemed to be able to exercise a material influence on the risk profile of the Company and/or the Fund.
- (ii) A portion of variable remuneration for each Identified Staff that is applicable to the performance of the Company's duties is subject to the remuneration rules specifically outlined in the AIFM Directive and ESMA Guidelines.
- (iii) Detailed application of the remuneration rules may vary at an individual level and is communicated directly to each of the Identified Staff, if needed.
- (iv) Where remuneration is performance related, if any, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Company, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The fixed and the variable remunerations of the Company's Identified Staff will be paid in accordance with the risk alignment requirement provided in the ESMA Guidelines. The Company will thus ensure that the remuneration will be considered in a multi-year horizon business plan complying with the best interest of the Funds it manages. The fixed and the variable remuneration of the Company's Identified Staff shall not encourage excessive risk taking as compared to investment policies of the Funds.

Guaranteed variable remuneration, if any, is exceptional and occurs only in the context of hiring new staff and is limited to the first year.

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. In practice, the Company pays very limited variable remunerations.

Payments related to the early termination of a contract, if any, reflect performance achieved over time and are designed in a way that does not reward failure.

Identified Staff are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Ex-ante risk adjustment: the Company may make qualitative risk adjustments when allocating/determining individuals' remuneration through assessments that may explicitly include risk and control considerations such as compliance breaches, risk limit breaches and internal control breakdowns (e.g. based on internal audit results) achievement of strategic targets, satisfaction of investors, leadership, management, team work, creativity and cooperation with other business areas. No Golden parachute will be granted.

Remuneration of staff employees

A staff employee is defined as any employee benefiting from an employment agreement with the AIFM.

Their remuneration consists of, at least, two different components:

- Fixed remuneration encompassing the basic monthly gross salary and benefits in kind supplied to the employee. It remunerates role, responsibilities and expertise. This fixed component of the remuneration is determined in the employment contract and will evolve according to the Luxembourg-specific indexation of salaries or via salary increases for the employee as decided by the management of ALPHA;
- Variable remuneration, or bonus, which remunerates personal and collective achievements. While the variable remuneration may not be largely dependent on targets for sales or profitability, this remuneration policy provides for the variable remuneration component to be both performance-related and non-financial performance metrics related.

As a result, its total amount shall be based on a combination of:

(i) Performance related factors

- the assessment of the performance of the individual concerned, and
- the overall results of the Company

(ii) Nonfinancial performance metrics

The qualitative nonfinancial performance metrics that are part of the assessment process may include, for example:

- an employee's failure to adhere to effective risk management;
- an employee's failure to comply with applicable regulatory rules; and
- unethical behaviour or other behaviour that is contrary to the Company's culture and values

Consideration of these factors including where relevant an individual's contribution to the Firm's ESG-related efforts forms part of the employees' performance assessment process.

The achievement of the objectives and the global result of the AIFM entail the possibility to pay no variable remuneration component if it is not sustainable according to the financial situation of the AIFM as a whole.

The objectives of the staff member taken into consideration are, among other qualitative criteria, the quality of controls and the control of risks. Moreover the variable component is determined by the management of ALPHA on a discretionary basis.

The global incentive compensation discretion policy provides guidelines to help ensure that annual incentive compensation decisions take relevant factors into consideration, including actual and potential risks that the employee may be able to control or influence, the quality of controls and the control of risks.

Other performance criteria that may be taken into account in deciding whether to award, and the amount of any variable remuneration includes (but is not limited to): business and market conditions, individual conduct, including but not limited to, adherence to the Code of Conduct and policies, contribution to the performance and profitability of the business unit and the strategic objectives of ALPHA and the associated value attributed to the role.

In order to be eligible for any annual incentive compensation, the individual must also remain an active employee performing duties on behalf of ALPHA, who has not given or been given notice of termination, at the time awards are communicated to the eligible employees. ALPHA ensures that fixed and variable components of total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration.

ALPHA ensures that the amount of variable remuneration to be allocated to the relevant person is determined by taking into account the full range of current and potential risks associated with the activities undertaken.

ALPHA ensures that the variable remuneration will not be paid through vehicles or methods that facilitate the avoidance of the requirements of the AIFMD Directive.

Remuneration of external consultants

External consultants to the Company are remunerated via a fixed fee that is set at a level comparable with equivalent market levels reflecting the qualifications and contribution required in view of the funds' complexity and the extent of their responsibilities. They receive no variable remuneration that would generate an incentive effect.

The remuneration of such external contractor is therefore not in the scope of this policy.

3.2 Governance

Role of the Board

The Company's Board is responsible for the establishment of the general principles of the

present remuneration policy, for its effective implementation and any amendment/update of the remuneration policy.

In that regard, the Board of Managers may be assisted by one of the control functions, by an external expert or by a remuneration committee or staff representatives. However for the time being, no such remuneration committee has been set up.

In the elaboration of this policy, the Board of Managers shall take into account all elements regarding the strategy of the Fund as well as its strategy regarding risk taking, the nature, scale and complexity of its activities.

The Members of the Board of Managers have sufficient expertise and functional independence from the business units of ALPHA to form an independent judgement on the suitability of the remuneration policy, including the implications for risk taking and risk management.

The Company' Board will adopt the present remuneration policy which is set in line with the remuneration philosophy of the Company and is designed to ensure compliance with CSSF requirements as established under Circular 10/437 of 1st February 2010 ("Guidelines Concerning Remuneration Policies in the Financial Sector") and the requirements of the AIFM Directive and applicable AIFM Law. It shall be noted that the Company's board will need to vote unanimously on the remuneration policy, formally confirming that the Company's remuneration policy is in line with its long-term strategy and may effectively prevent potential conflicts of interests.

When selecting the service providers, the Board of Managers shall also take into consideration any potential conflict of interest that could arise with the selected potential service providers. The Board of Managers shall periodically review the general principles of the remuneration policy.

Role of the Control functions

- (i) Without prejudice to the overall responsibility of the Board of Managers, the effective implementation of the remuneration policy shall be reviewed at least on an annual basis by the compliance officer with the rules defined by the Board of Managers. The compliance officer will also analyse how the remuneration structure affects the Company's compliance with legislation, regulations and internal policies.
- (ii) The risk manager will report on how the variable remuneration, if any, affects the risk profile of the Fund
- (iii) The internal auditor will periodically audit the design, implementation and effects of the remuneration policies. The internal auditor shall, at least annually, review the compliance of the remuneration paid with policies and procedures put in place by the Company.
- (iv) The compliance function shall report on the outcome of this review to the Board of Managers. A copy of that report shall be made available to the CSSF.

4. Conflicts of interest

The Company remuneration process has been defined to guarantee the alignment of the remunerations paid to the Staff with the business strategy, objectives, values and interests of the Company and the AIFs it manages and therefore to avoid conflicts of interest.

The Company has put in place the following conflicts of interest measures/safeguards to prevent undue influence on the staff involved with the following key roles:

- 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. The internal audit is currently delegated to a third-party.
- The remuneration of the Conducting Officer in the risk management and compliance functions is assessed and overseen by the Board
- The employee involved in the valuation function is not involved in the portfolio management function and their remuneration is not directly based on the performance of the managed AIFs but on the objective assessment of the performance of the function
- One Board member is employed by the Company and is remunerated according to the process described above and on the basis of the objective assessment of his performance as Conducting Officer.

Any potential or actual situation of conflict of interest is managed according to the provisions of the Company conflicts of interest policy.

5. Communication and updates

5.1 Disclosure

This Remuneration Policy (as well as any update thereto) will be accessible to all Identified Staff, which will know in advance the criteria that will be used to determine their remuneration. Confidential quantitative aspects of the remuneration of staff members will of course remain confidential and will thus not be internally disclosed. This Remuneration Policy or relevant extract is available in accordance with the relevant laws and regulations to regulators, staff and clients.

The Company has the flexibility to disclose the information mentioned in the ESMA 2015/ESMA/1172 Guidelines through an independent remuneration policy statement, a periodic disclosure in the annual report or any other form. The proportionality principle will apply to the type and amount of information disclosed.

The disclosure should be published on at least an annual basis and as soon as practicable after the information becomes available. The annual report of the AIF shall contain the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, the number of beneficiaries and, where relevant, carried interest paid by the AIFs. The present remuneration policy will be made available to all staff². In addition to the disclosure required under article 20 (2) (e) and (f) of the AIFM Law, the Company will consider

² Article 172 of ESMA 2015/ESMA/1172 Guidelines

the relevancy of the additional disclosure as provided by point 160 of the ESMA guidelines.

5.2 Policy Amendment

The Board is responsible for implementing the Remuneration Policy.

The implementation of the Remuneration Policy shall be subject to central and independent internal annual review of the Managers of the Company, which benefits from the collaboration of the internal auditor.

The internal audit will periodically carry out an independent audit of the description, implementation and effect of the Company's Remuneration Policy.

The structure of the remuneration policy shall be updated over time to ensure that it evolves to meet the challenges and the growth of the Funds. Such rules are revised on an annual basis by the Board of Managers to take into consideration the economic context and regulatory environment of the AIFM, as well as its long-term business strategy and organisational structure. The control function (risk management / compliance) should be closely involved in reviewing the remuneration system of the AIFM.

APPENDIX 1: LIST OF IDENTIFIED STAFF

Further to an analysis of job functions and responsibilities at the AIFM undertaken for a proper assessment of those roles that could materially affect the risk profile of the AIFM or of the AIFs it manages, the following persons have been identified to fall in scope of the remuneration policy:

Board Members

- Sébastien WIANDER : in charge of risk management
- Jean BODONI
- Massimo LONGONI

Risk takers

- Internal valuer : Nicolas DUMONT
- Chief Financial Officer : Grégoire FOSSAERT
- Portfolio management: Yann DREMIERE
- Head of Accounting : Sandrine NEZ
- Compliance Officer : Gabriella TAMBOU RAYALOU

The remuneration policy shall be adjusted from time to time if deemed necessary and in any case when additional person whose professional activities have a material impact on the risk profiles of the Fund that the Company manages is hired.