

# Remuneration Policy

## Purpose and applicability

AVEGA Capital Management S.A. including its branches (“**ACM**” or the “**Company**”) has designed and implemented this remuneration policy (the “**Remuneration Policy**”) in line with the COMMISSION DELEGATED REGULATION (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (“**AIFM Regulation**” of “**AIFMR**”).

This Remuneration Policy has also been drafted in accordance with the European Securities Markets Authority (“**ESMA**”) guidelines on sound remuneration policies under the AIFMD (ESMA/2016/579) (the “**ESMA AIFMD Guidelines**”) as well as the Law of 12 July 2013 on alternative investment fund managers, as amended (“**AIFM law**”) and finally, CSSF Circular 18/698 on the authorisation and organisation of investment fund managers (“**CSSF Circular**”).

This Remuneration Policy has been prepared in line with the business strategy, objectives, values and interests of the Company and the Funds (as defined below) or the investors of the Funds (as defined below) and ensures that the Company maintains and applies a sound and prudent remuneration process which does not impair compliance with the Company’s duty to act in the best interest of the Funds’ investors, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Company or the risk profiles and constitutional documents of the alternative investment funds under management (“**AIFs**” or the “**Funds**”).

This Remuneration Policy has been adopted by the board of directors of the Company (the “**Board**”) and will be reviewed on an annual basis.

## Version history and approval

Date	Prepared by	Approved by
24 August 2020	Stephan Grimm	Board of Directors
01 March 2022	Stephan Grimm	Board of Directors
09 December 2022	Stephan Grimm	Board of Directors
24 October 2023	Nic Müller	Board of Directors
9 December 2024	Nic Müller	Board of Directors
17 December 2025	Nic Müller	Board of Directors

This Policy is dated 17 December 2025 (“the **Date of this Policy**”).

## Contents

Purpose and applicability.....	1
Version history and approval .....	1
Contents.....	2
Definition of remuneration .....	3
Definition of Identified Staff.....	3
The Principles of remuneration policy and practices.....	4
Proportionality .....	5
Remuneration Committee .....	5
Disclosure .....	5
Delegation of Portfolio Management .....	5
Transparency of remuneration policy in relation to the integration of sustainable risks .....	6
Review and Implementation of the Policy .....	6
Appendix: Assessment of Proportionality: Purpose and applicability .....	7
Appendix: Assessment of Proportionality: Version history and approval .....	7
Proportionality with respect to the different characteristics of AIFMs.....	8
Size.....	8
Internal organization .....	9
Nature, scope and complexity of the activities .....	10
Overall conclusion .....	11
Consequence of the application of the proportionality principle.....	11

## Definition of remuneration

For the purposes of this Remuneration Policy, remuneration consists of:

- All forms of payments or benefits paid by the Company;
- Any amount paid by a Fund itself, including carried interest (e.g. performance fees);
- Any transfer of units or shares of a Fund, in exchange for professional services rendered by the Identified Staff (as defined below).

All remuneration can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria);
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, shares, share options, cancellation of loans to staff members at dismissal, or pension contributions) or non-monetary benefits (such as discounts, fringe benefits or special allowances for car, mobile phone, etc.).

Ancillary payments or benefits that are part of a general, non-discretionary, Company-wide policy and which pose no incentive effects in terms of risk assumption are excluded from the definition of remuneration.

The Company ensures that variable remuneration is not paid through vehicles or methods that facilitate the avoidance of applicable remuneration requirements and the Board retains the primary responsibility for ensuring that the ultimate goal of having a sound and prudent remuneration policy and structure is not improperly circumvented.

## Definition of Identified Staff

This Remuneration Policy covers all staff whose professional activities have a material impact on the risk profile of the Company or of the Funds ("**Identified Staff**"). Under the ESMA AIFMD Guidelines, Identified Staff are classified as categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the Company's risk profile or the risk profiles of the Funds and categories of staff of the entity to which investment management activities or risk management have been delegated by the Company, whose professional activities have a material impact on the risk profiles of the Funds.

The ESMA AIFMD Guidelines provide further detailed guidance regarding the classification of Identified Staff. Based on the same, the Company has determined the following persons to be Identified Staff for the purposes of this Remuneration Policy:

- Executive and non-executive members of the governing body, including daily management delegates
- Senior Management
- Compliance Officer & Compliance Officer AML/CFT
- Risk Manager
- Branch manager

Where the investment management function is performed by the Company itself in respect of any Fund, additional members of the investment management function shall also be categorized as Identified Staff, where required and appropriate.

All Identified Staff are remunerated as employees of the Company with a combination of fixed and variable discretionary remuneration where the latter is assessed on the basis of their overall individual contribution to ACM, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the Funds.

Any performance related payment is assessed by ACM's human resources function in the context of longer term, multi-year performance and designed to not encourage short-term risk-taking. Although the performance of the Funds could ultimately affect the performance of the Company, the activities of the Identified Staff have no direct bearing on the performance capabilities of the Funds and the performance of the Funds does not directly impact the remuneration of the Identified Staff.

The investment and risk setting exercises of the Company occur in a collective collegiate framework which prevents any one Identified Staff exerting an inappropriate influence over the risk appetite and investment profile of the Funds.

At the Date of this Policy, no other Identified Staff, other than the ones mentioned above, have been identified.

### **The Principles of remuneration policy and practices**

The AIFM Regulation requires the Company to comply with a detailed list of principles when establishing and maintaining its remuneration policy and practices.

ACM has implemented a remuneration structure whereby the fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration. As any variable remuneration portion is fully discretionary, ACM retains full flexibility in the operation of the flexible remuneration component as it has the possibility to award no variable pay. This means that any variable remuneration is paid only if it is sustainable according to the financial situation of ACM and justified according to the performance of the Company and the individual concerned. Where there is subdued or negative performance of the Company, the award of any variable remuneration will consider the current total compensation of the individual and his/her contribution to ACM.

ACM does not offer guaranteed variable remuneration to any employees or directors. ACM is mindful that, should it in future offer guaranteed variable remuneration, that this may only be exceptional, occurring only in the context of hiring new staff and limited to the first year.

In light of the limited impact of the remuneration of the Identified Staff on the risk profile of the Funds and the nature of the business of the Company in its role as a third-party management company, the remuneration structure of the Identified Staff and the delegation of the portfolio management activity, the Company believes that it is not appropriate for any variable remuneration that is offered to Identified Staff to comprise units or shares of the Funds or equivalent ownership interests.

Similarly, the Company does not deem appropriate that deferral of the variable remuneration policy should be implemented in view of the life cycle and redemption policy of the Funds, as the variable remuneration components are not based on the performance of the Funds and therefore there is no risk of misalignment with the nature of the risks of the Funds.

In order to ensure the independence of the internal control functions, the remuneration of the identified staff of the control functions is not linked to the performance of the activities they control or is determined according to other criteria which compromise the objectivity of the work carried out by the internal control functions.

Where Identified Staff also receive pension benefit arrangements, these arrangements will be in line with the Company's risk appetite, business strategy, objectives, values and long-term interests including those of the Funds or the investors of such Funds.

The Company's remuneration framework does not currently provide for payments related to the early termination of a contract. If such payments may be provided in future, the Company is mindful that such arrangements must be designed to reflect performance achieved over time and in a way that does not reward failure.

## **Proportionality**

The Proportionality assessment has been conducted and documented in an annex to this policy which shall remain an integral part of this Policy.

Based on the assessment, the Board has disappplied the requirements in relation to:

- The requirements on the pay-out process; and
- The requirement to establish a remuneration committee

## **Remuneration Committee**

The Company is mindful of the requirement that management companies that are significant in terms of their size or the size of the funds they manage, their internal organisation and the nature, the scope and the complexity of their activities must establish a remuneration committee responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk and risk management of the Company or the Funds and which are to be taken by the Board in its supervisory function.

As outlined in the above-mentioned assessment, by applying the principle of proportionality, the Board has decided not to establish a Remuneration Committee.

## **Disclosure**

The Company will disclose details of its remuneration arrangements through a periodic disclosure the disclosure in the annual financial statements of the Funds. The Company will ensure that the disclosure is clear and easily understandable and accessible. Without prejudice to confidentiality and applicable data protection legislation, the Company will also disclose detailed information regarding its remuneration policies and practices for members of staff whose professional activities have a material impact on the risk profile of the Funds, as well as providing general information about the basic characteristics of the Company's remuneration policies and practices in line with applicable remuneration requirements.

A copy of the Remuneration Policy will also be made available on the Company's website.

## **Delegation of Portfolio Management**

When delegating portfolio management activities according to the AIFM Regulation, the Company will ensure that:

- the entities to which portfolio management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA AIFMD Guidelines; or
- appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA AIFMD Guidelines.

These contractual arrangements cover any payments made to the delegates' Identified Staff as compensation for the performance of portfolio management activities on behalf of the Company and the Funds under the terms of the relevant delegation agreement.

The Company performs the above assessment as part of its client approval/acceptance process. The Company acknowledges that delegates may be able to disapply the Pay-out Process Rules or the requirement to establish a remuneration committee under the ESMA AIFMD Guidelines on the basis of proportionality and details of any such proportionality analysis will be provided by the delegate to the Company for review. The Company maintains remuneration details relating to the delegation arrangements for each Fund managed by the Company.

The Board requires regularly each delegate to provide them with a confirmation that its remuneration policies and practices have not changed over time and no breach of the remuneration policy occurred.

### **Transparency of remuneration policy in relation to the integration of sustainable risks**

According to Article 5 of the SFDR: “financial market participants are required to include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites.

In general, the identified staff of ACM is not remunerated in relation to the performance of the AIFs under management. Therefore, a misalignment with sustainability risks associated with the management of the fund is not possible.

In AIFs where ACM delegates the portfolio management function to a third party, ACM ensures that the appointed portfolio manager applies remuneration policy's, which are consistent with the integration of sustainability risks taken.

### **Review and Implementation of the Policy**

The Remuneration Policy has been adopted by the Board and the Board is responsible for its implementation. The Remuneration Policy is subject to at least annual review by the Board and (as may be in the future) the remuneration committee. The Remuneration Policy is not subject to an independent external review, but is part of the summary report prepared by the internal audit function of the Company.

The day-to-day implementation of the Remuneration Policy has been assigned to the compliance officer of the Company who is responsible for keeping the Remuneration Policy up to date in light of business and staff changes and in line with applicable regulatory requirements. The compliance officer is also responsible for the ongoing monitoring of the implementation of and compliance with the Remuneration Policy and, in this regard, the compliance officer will liaise with ACM human resource function.

# **Appendix: Remuneration: Assessment of Proportionality**

## **Appendix: Assessment of Proportionality: Purpose and applicability**

This document (the “**Assessment**”) assesses the principle of proportionality with regards to the remuneration principles applicable to Avega Capital Management S.A. (the “**Company**”).

It shall be read in conjunction with the Remuneration Policy of the Company and remain annexed thereto.

## **Appendix: Assessment of Proportionality: Version history and approval**

The date of this assessment corresponds to the Date of this Policy.

## Proportionality with respect to the different characteristics of AIFMs

Unless noted otherwise, all metrics are related to the situation as at 30 September 2025.

### Size

Criterion	Metric
Value of the AIFM capital	5.507.089,19 EUR
Value of the assets under management (including any assets acquired through the use of leverage)	19.931.200.916,74 EUR
Liabilities or risks exposure of the AIFM	As measured by operational risk database: none
Liabilities or risks exposure of the AIF that it manages	As measured by risk management overview: low to medium
Number of staff	54
Number of branches	0
Number of subsidiaries	0

### Value of the AIFM capital

The Company was founded with EUR 400.000 in share capital which was later increased by an additional EUR 900.000. Given that the Company is profitable and did not require further outside funding, the financial risk for the shareholders is considered low and the overall capital injected is modest.

Based on this sub-criterion, we consider the Company to be **small**.

### Value of the assets under management

According to the most comprehensive survey for regulated fund management companies in Luxembourg conducted on an annual basis by pwc Luxembourg (Observatory for Management Companies 2023 barometer), there are 15 companies with more than 100 bn EUR assets under management which can be considered "large".

With regards to the specific business profile of the Company, the next cohort to look at is the "Third Party ManCos" which include in their top 10 companies all the way down to 35 bn EUR assets under management. We therefore consider companies within the 35bn to 100bn EUR assets under management range to be "medium-sized".

This is somewhat conflicting with some of the guidance given in the ESMA guidance with regards to the requirement to establish a remuneration committee which quotes "EUR 1.25 billion". However, the guidance is very broad in nature and does a) not reflect the market conditions in traditional fund domiciles such as Ireland or Luxembourg with a large network of Third Party Management Companies, and b) was published in 2013 prior to the upsurge of markets (including in particular the rise of alternative investments) and corresponding market consolidations. We therefore consider this hard threshold to be outdated and refer to the pwc survey for a more balanced look on the market.

Based on this sub-criterion, we consider the Company to be **small**.

### Liabilities or risks exposure of the AIFM

The Company started to be operational as of 1 January 2021. So far, the Company has not been subject to any law suits, claims or related activities, and has not deviated from its core premise of providing solid third party management services to private markets operations in selected countries with selected business partners.

Based on this sub-criterion, we consider the Company to be **small**.

### **Liabilities or risks exposure of the AIF that it manages**

With regards to the strategies under management, the vast majority of strategies relate to private equity fund-of-funds with long investment cycles building on a strong network of investment advisors and portfolio managers. None of the AIF exhibit a particular level of risk, neither with regards to leverage nor with regards to any of the risk categories which are being monitored by the permanent risk management function on an ongoing basis.

Based on this sub-criterion, we consider the Company to be **small**.

### **Number of staff**

Whether the Company is large or small based on number of staff is difficult to ascertain given the fact that the business models of the different players are very different. Many players make use of an extensive network of group entities for support services or outsource large parts of their operations, e.g. full delegation of portfolio management.

Turning to the pwc survey, the average number of employees for the participants of the survey is 47. The substance requirements of the regulator mandate an ever-increasing number of employees. For the purpose of this exercise though, we consider the following thresholds to be relevant:

0-10 employees: micro

10-50 employees: small

50-100 employees: medium

>100 employees: large

Based on this sub-criterion, we consider the Company to be **medium**.

### **Number of branches**

The Company created its first branch (Germany) in 2024. The branch is being set up and currently has no active client relationships.

Based on this sub-criterion, we consider the Company to be **small**.

### **Number of subsidiaries**

The Company currently has no subsidiaries.

Based on this sub-criterion, we consider the Company to be **small**.

### **Conclusion**

Based on the **size** criteria alone, we consider the Company to be **small**.

### Internal organization

#### **Legal structure of the AIFM**

The AIFM is a “Société anonyme” under Luxembourg law based in Luxembourg. It is governed via a “one-tier structure”, i.e. managed by a Board of Directors with three members, all of whom are professionally residing in Luxembourg and – in principle – in Luxembourg every day. There are no foreign shareholders or group entities that are exerting any influence on the Company.

Based on this sub-criterion, we consider the Company to be **small**.

#### **Legal structure of the AIF that the AIFM manages**

The AIFM manages only Luxembourg-based AIF. Each AIF is structured either as a partnership or corporation under Luxembourg law with its own governing body at AIF level.

Based on this sub-criterion, we consider the Company to be **small**.

### **Complexity of the internal governance structure of the AIFM**

The Board of Directors (see above) is overseeing the work of the Conducting Officers, all of whom are full-time employees of the Company and professionally residing in Luxembourg and – in principle – in Luxembourg every day. There are various committees, such as the investment management committee and the valuation committee which are staffed by employees of the Company. The head of internal control functions of the Company (risk management and compliance) are Luxembourg-based full-time employees of the Company which are overseen by the respective conducting officers.

Based on this sub-criterion, we consider the Company to be **small**.

### **Listing on regulated markets of the AIFM**

The Company is privately held.

Based on this sub-criterion, we consider the Company to be **small**.

### **Listing on regulated markets of the AIF that the AIFM manages**

Some of the AIF that the AIFM manages (such as Pension Alternative Markets SICAV-SIF) might – for regulatory reasons – have equity instruments or notes listed on a regulated market for the benefit of the underlying investors. However, the AIFM generally does not manage AIF open for retail investors and typically has a very closed group of investors for each of the AIF under management.

Based on this sub-criterion, we consider the Company to be **small**.

### **Conclusion**

Based on the **internal organization** criteria alone, we consider the Company to be **small**.

### Nature, scope and complexity of the activities

#### **Type of authorized activity**

The Company is performing the investment management functions listed in point 1 of Annex I of the AIFMD as well as the additional functions listed in point 2 of Annex I of the AIFMD, but not the additional services listed in Article 6(4) of the AIFMD.

Based on this sub-criterion, we consider the Company to be **small**.

#### **Type of investment policies and strategies of the AIFs the AIFM manages**

The Company is only managing private markets assets, i.e. it is not authorized – nor does it plan – to engage into Hedge Fund strategies, Commodity Fund strategies, Equity Fund or Fixed Income Fund strategies.

It shall be noted that the Company is considering itself a so-called “third party management company” which provides investment management services for AIF, however it is focusing mainly on the fund-of-funds sector and predominately working with German institutional investors which pursue a low overall risk profile.

Based on this sub-criterion, we consider the Company to be **small**.

#### **National or cross-border nature of the business activities**

The Company is currently performing all its activities out of Luxembourg and is only managing Luxembourg-based AIF.

Based on this sub-criterion, we consider the Company to be **small**.

### **Additional management of UCITS**

The Company is not managing UCITS.

Based on this sub-criterion, we consider the Company to be **small**.

### **Conclusion**

Based on the **nature, scope and complexity of the activities** criteria alone, we consider the Company to be **small**.

### Overall conclusion

Based on the size, internal organization as well as nature, scope and complexity of the activities of the Company criterion, we consider the Company to be **small**.

### **Consequence of the application of the proportionality principle**

As a consequence of the analysis above, the Company considers it reasonable to disapply certain requirements as follows:

- The requirements on the pay-out process, being the requirements on:
  - variable remuneration in instruments;
  - retention;
  - deferral;
  - ex post incorporation of risk for variable remuneration

The above-mentioned requirement is disappplied entirely – we highlight specifically the fact noted in sub-section “Type of investment policies and strategies of the AIFs the AIFM manages” which details the third party nature of the Company which generally entails that – by definition – none of the staff members are unduly incentivized to take risks on behalf of any of the AIFs managed.

Furthermore, the Company considers it reasonable to disapply the following requirement:

- The requirement to establish a remuneration committee

The Company considers its operations (see, inter alia, sub-sections “Number of staff”, “Legal structure of the AIFM”, and “Complexity of the internal governance structure of the AIFM”) to be sufficiently simple in order to allow compliance with remuneration requirements without having to establish a remuneration committee.