

REMUNERATION POLICY

- *Aim of the policy*

The Remuneration Policy answers to external constraints (regulatory environment, external competition...) as well as to internal constraints (internal equity, economic necessity, staff motivation, talent management, high potentials loyalty...).

The remuneration policy ensures that:

- EFML is able to attract, develop and retain high-performing and motivated employees in a competitive, international market;
- Employees are offered a competitive remuneration package;
- Employees feel encouraged to create sustainable results and that a link exists among shareholder, employee and AIF interests;
- The remuneration of staff in the area of portfolio management is based on the long-term performance of the respective AIFs under management and does not encourage risk-taking which is inconsistent with the risk profile of these AIFs; and
- The remuneration of risk and compliance management does not compromise the independence of these functions and is not solely determined by Company-wide performance criteria.

EFML's remuneration policy shall be based on the following general principles:

- *Transparency*: The remuneration policy shall be defined in the present document and shared with key stakeholders including shareholders, AIFs/investors and employees.
- *Fairness*: The individual benefits will be based on the effective contribution to the results of the Company as determined by the Board of Directors.
- *Long-term Alignment of Interests*: The aim of the policy is to create a win-win environment where the long-term financial interest of AIFs/investors, employees and shareholders are aligned.
- *Company Financial Stability*: The incentive remuneration shall under no circumstances expose EFML to undue increased financial or operational risks.

The remuneration policy is consistent with, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of AIFs under management as well as management regulations or instruments of incorporation of the AIFs via:

- The set-up of a sound governance structure for setting goals and communication of these goals to employees; and
- Inclusion of both financial and non-financial goals in performance and result assessments
- Making fixed salaries the main remuneration component.

- *Scope*

The objective of this Policy is to lay down the principles governing how the remuneration of the Company's employees and identified staff shall be established, applied and monitored.

This Policy takes into account the principle of proportionality which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale, size and complexity of Company's business and to the nature and range of activities carried out in the course of its business.

The overall philosophy of this Policy is to promote sound and effective risk management, as well as a long-term perspective, and to discourage excessive risk-taking by EFML's employees. In particular, consideration has been given to the business strategy, objectives, values and interests of the Company as well as the maintenance of a sound capital base.

The staff members are informed of this policy when they are hired into the Company and whenever any amendments will enter into force.

- *Identified staff*

The Company adopts the definition of identified staff in accordance with ESMA Guidelines on sound remuneration policies under the AIFMD being: 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 Company's risk profile or the risk profile of the AIFs that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by EFML, whose professional activities have a material impact on the risk profiles of the AIF that the Company manages.

The provisions in this section shall apply to all employees of the AIFM that qualify as identified staff according to the definition as set out above.

2. IMPLEMENTATION AND REVIEW OF THE POLICY

- *Responsibilities of the Board of Directors*

The Board of Directors is responsible for defining the general principles governing the remuneration policy.

The remuneration policy is approved by the Board of Directors and appropriately aligns the risks faced by the Company and AIFs under management.

The Compliance officer shall ensure the implementation of the remuneration policy and review at least once a year the adequacy of the policy and its compliance with applicable regulations.

The Board will monitor compliance with the remuneration policy on an annual basis and decide on any necessary changes. This will include alignment with the business strategy, objectives, values and interest of the Company and AIFs it manages as well as measures to avoid conflicts of interest. Furthermore, the Board shall define clear and measurable objectives that will be the basis of the annual

assessment.

The Board may deviate from this policy in individual cases, if justified by extraordinary and documented circumstances, being understood that when such a deviation concerns a Board member, it should be approved by the shareholders of the Company.

- Annual review

Mr. Marc Boulesteix has been appointed as Conducting Officer responsible for HR matters. He shall brief all members of the Board on remuneration issues/proposed policy amendments and shall prepare the necessary documentation for the Board's dealings with remuneration issues. This member shall further submit identified adjustments to the Remuneration Policy to the Board for approval.

The annual review by the Board will be performed with the close involvement of control functions:

- the risk management function should assess how the variable remuneration structure affects the risk profile of the Company.
- the compliance function should analyze how the remuneration structure affects EFML's compliance with legislation, regulations and internal policies.
- the internal audit function should periodically carry out an independent audit of the design, implementation and effects of the Company's remuneration policies.

The annual review will ensure that the remuneration system operates as intended and is compliant with national and international regulations, principles and standards.

The Board shall ensure that the results of the review are followed up. Any amendments to the remuneration policy will be subject to Board approval.

3. REMUNERATION COMPONENTS

The remuneration components are:

- Fixed remuneration;
- Variable remuneration;
- Other benefits (if applicable);
- Severance payment;
- Any amount paid by the Company
- Any amount paid by the AIFs themselves including carried interest (if applicable)
- Any transfer of units or shares or the Company (if applicable).

The fixed and variable components of total remuneration have to be 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.

- Fixed remuneration

EFML shall remunerate its employees with a salary and it shall represent a sufficiently high proportion of total remuneration. Fixed Remuneration is set on an individual basis with consideration to market standards in respect of the relevant position and based with non-financial criteria such as :

- Description and complexity of the position;
- Responsibilities and risk related to the position;
- Level and hierarchy of the position;
- Market practice for the particular position;
- Data available for comparison;
- Experience of the person; and
- Education level and specific technical knowledge.

The fixed remuneration is paid on a monthly basis.

- *Other benefits*

Employees are entitled to benefits such as lunch vouchers. Conducting persons may also be entitled to car leasing.

- *Variable remuneration*

General principles

Taking into consideration that granting of bonuses is a discretionary decision, bonus payments will take into account:

- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the variable component possible;
- the assessment of the individual valuation linked to Performance Appraisal for each employee at the end of each year;
- the accomplishment of the task and responsibilities of the function;
- the performance of the Company;
- the effect of the variable compensation on the economical soundness of the firm; and
- the consideration of existent and potential future risks generated or directly linked with the variable compensation.

Variable Remuneration motivates and rewards performers, who strengthen long-term relationships and generate income and shareholder value. Performance-based remuneration is awarded in a manner which promotes best practices, ensures risk management policies are implemented and does not induce excessive risk-taking. Generally, there is no guaranteed variable remuneration.

- *Remuneration pools*

The Board shall determine performance-based remuneration pools ensuring that risk, capital and

liquidity limits are not exceeded and that payments of performance-based remuneration is spread over a period which takes into account the redemption policy/lifetime of the AIF it manages.

Performance-based remuneration pools must be based on an assessment of the Company's budget performance, the risks and the actual performance of the AIFM and its affiliates. Consequently, performance-based remuneration should decrease as a result of negative performance and can go down to zero in some cases.

Allocation of individual benefits shall be based on a discretionary system that is verified and controlled by a sound governance structure. All benefits shall be subject to Board approvals. The Board of the AIFM shall base its decision on the allocation of remuneration on verifiable performance criteria.

Risk adjustment of remuneration pools

The remuneration structure of the Company does not contain any incentives which could negatively affect the AIFM's performance and/or detriment the interest of investors of the AIF. The variable remuneration pool will depend on the Company's long-term strategy and performance so as to limit the Identified Staff's incentives in terms of risk-taking and to align the personal objectives of the Identified Staff to the AIFM's/AIF's interest as well as the interests of the investors. When measuring the profitability of the Company and the AIFs it manages, the AIFM takes into account the net revenue where all direct and indirect costs related to the AIF's activity have been deducted. To account for current and future risks, the remuneration pools shall be adjusted taking in account any current or potential costs that are incurred/likely to be incurred by the AIFM/AIFs including legal fees, marketing costs, costs of outsourcing and, if so applicable, costs of legal/regulatory sanctions.

Variable remuneration based on financial performance of the Company

Variable remuneration based on financial performance of the Company is measured according to the net revenue of the AIFM and individuals' contribution to the growth of the AIFM's business.

Variable remuneration based on individual performance

To limit excessive risk taking, variable remuneration should be performance-based and risk adjusted. Variable remuneration is measured in terms of goals assigned to each employee for the current year and is determined by reference to the following performance criteria:

- quality of the work performed;
- working method used;
- meeting the deadlines;
- compliance with laws, regulations, procedures and ability to enforce them by the team members;
- quality of the contacts maintained with external counterparties;
- ability to communicate information and to work as part of a team;
- ability to take initiative;

- ability to consider the risks of activities according to assigned responsibilities
- support for the objectives of the Company.

The risk adjustment may differ according to the activity of the employees and the Company's function concerned.

When determining individuals' remuneration, the risk and control considerations are explicitly included in the performance assessment of the employees. Specific attention shall be paid to ethical and compliant behavior. As such, adherence to EFML Risk Management Policy and Business Integrity and Best Execution Policies are included in the non-financial performance criteria for all employees of the Company. Any compliance breaches, risk limit breaches and internal control breakdowns are sanctioned when determining the individual awards.

Annual performance and appraisal interview

Employees of the Company shall have one annual performance and appraisal interview.

Each employee shall be informed at the end of the year of the individual criteria that govern his/her remuneration and how his/her performance is assessed. A member of the board or of the senior management will share with the employee the performance appraisal. They both sign the report confirming the valuation.

Each single Performance Appraisal Report will be archived in the individual dedicated folder.

In assessing the performance, the Board will ensure that potential conflicts of interest of EFML and the AIFs it manages, or the investors of these AIFs are properly considered, integrated and documented and measures to avoid conflicts of interest are established.

The variable remuneration is granted to all employees, subject to at least 6 months service at the date of granting of the bonuses.

The bonus pool is approved once a year by the Board of the Company.

4. APPLICATION OF THE PROPORTIONALITY PRINCIPLE

Definition of the proportionality principle

The ESMA Guidelines and Art. 1 of Annex II of the 2013 Law provides that companies must comply with the remuneration principles *"in a way and to the extent that is appropriate to their size, internal organization and the nature, scope and complexity of their activities"*.

EFML is therefore authorized to disapply certain requirements of the remuneration principles regarding the pay-out process on the basis of the proportionality principle:

- Variable remuneration in instruments: meaning that a minimum portion of 50% of

variable remuneration should be paid in instruments;

- Retention: meaning the period during which variable remuneration that has been already vested and paid out in the form of instruments cannot be sold;
- Deferral: meaning the period during which variable remuneration is withheld (at least 40% to 60% of variable remuneration to be withheld for a minimum of three to five years); and
- Ex-post incorporation of risk for variable remuneration: meaning that the variable remuneration may be reduced through clawback or malus arrangements.

Three factors (size, internal organization and nature, scope and complexity of the activities) should be analyzed jointly for each of the requirements that may be disappplied.

- The “size” criterion can be decomposed in the following sub-criteria

- the value of the capital and the value of the assets under management (including any assets acquired through the use of leverage) of the AIFs that the Company manages.

The share capital of the Company is set at 500,000 EUR. The value of the assets under management does not exceed the threshold of 1.25 billion of assets under management established by the ESMA for the disapplication of the remuneration committee.

- liabilities or risks exposure of EFML and of the AIFs it manages

The risks exposure of the Company and of the AIFs managed are within a low-average threshold, and there is no use of financial derivative instruments. In this context, the Board considers the exposure to risks of EFML and the AIFs at a low-average level.

- number of employees, branches or subsidiaries of EFML

The Company has its registered office in Luxembourg and does not established branches or subsidiaries. EFML employs a total of less than 10 employees.

- Internal Organization

- Legal structure of the EFML and AIFs it manages

EFML has been incorporated under the form of a public company limited by shares (société anonyme). The Company is fully owned by Eurazeo a company incorporated under the form of a European Company, the shares of which are listed on the Paris Stock Exchange (“EURONEXT”).

With regard to the AIFs under management, EFML manages entities of a contractual nature under the form of SCSps. The shareholders of the SCSps comprise limited partners and a general partner fully owned by Eurazeo.

- Complexity of the internal governance structure of EFML

The governance structure of the Company is straightforward while ensuring a clear definition of the responsibilities and roles of the employees. The Company is managed by a Board composed of a balanced manner of four members. Four Conducting Persons supervise the daily activity of the Company which allows mutual control and common decision-taking.

- the listing on regulated markets of EFML or the AIFs

Neither EFML nor the AIFs under management are listed on a regulated market it is not the intention of the Company to be listed at any regulated market or stock exchange.

- *Nature, scope and complexity of the activities*

- the type of authorized activity

EFML holds a license to act as AIFM and central administration.

- the type of investment policies and strategies of the AIFs

For the time being EFML only manages AIFs with a private equity investment strategy.

As more extensively indicated above, the risk profile and appetite of EFML is to be considered at a low-average level.

- the national or cross-border nature of the business activities

EFML manages only AIFs established in Luxembourg and distributed in certain EU Member States.

- *Composition of the variable remuneration*

By application of the proportionality principle, the Company decides not to apply the principle that minimum 50% of the variable remuneration shall consist of units or shares of the funds under management concerned, or equivalent ownership interest.

Therefore, the total variable remuneration will be paid in cash.

- *Deferral of payment*

By application of the proportionality principle, the Company decides not to apply the principle that at least 40% to 60% of the variable remuneration component needs to be deferred over a period of at least 3 to 5 years.

The Bonuses payments will be granted within the first three months of the following year.

- *Retention*

By application of the proportionality principle, the Company decides not to apply the principle of a retention period meaning the period during which variable remuneration that has been already paid out in the form of instruments cannot be sold.

- *Payment only if sustainable according to the financial situation*

By application of the proportionality principle, the Company decides not to implement the principle that the variable remuneration is paid only if it is sustainable according to the financial situation of the Company as a whole and justified according to the performance of

the business unit, the funds and the individual concerned.

Nonetheless, the Company will request full or partial repayment of the bonus in case of

- Established fraud or misleading information;
- Misbehaviour or serious error, such as breach of EFML's policies.

5. REMUNERATION COMMITTEE

EFML decided to apply the proportionality principle and not to setup a Remuneration Committee

ESMA Guidelines states that when assessing whether or not a company is significant, it should consider the cumulative presence of all the three factors (i.e. its size or the size of the funds it manages, its internal organization and the nature, scope and complexity of its activities). A company which is significant only with respect to one or two of the three above factors should not be required to set up a remuneration committee.

In addition, ESMA adds that the set-up of a remuneration committee is not mandatory for companies for which the value of the collective portfolios that they manage does not exceed EUR

1.25 billion and not having more than 50 employees.

The Company does not satisfy any of these criteria (the value of the collective portfolios not exceeding 1.25 billion and the Company having less than 50 employees) therefore no remuneration committee is established.

6. REMUNERATION OF SENIOR MANAGEMENT AND BOARD MEMBERS

Employees in management and oversight functions of the Company are generally compensated based on the components listed below:

- Fixed salary plus benefits;
- Variable remuneration (cash bonus);

In addition, members of the Board are remunerated consistent with their powers, tasks, expertise and responsibilities and based on their eligibility as defined below:

- Members of the Board who are also employees of the AIFM are eligible for remuneration.
- Members of the Board who are not employees of the AIFM but are employed by another Eurazeo entity (affiliated to the AIFM) are ineligible for remuneration as they are remunerated by that entity in accordance with the AIFMD requirements.
- Members of the Board who are independent managers receive a fixed fee. These Board members are not covered by incentive programs and do not receive performance-based remuneration. The basic fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the complexity of the AIFM's activities, the extent of the responsibilities and the number of Board meetings. No pension contributions are payable on Board members' fees. Travel and out of pockets expenses shall be reimbursed.

Employees of the AIFM involved in the oversight or performance of control functions are generally compensated based on the following components:

- Fixed salary (plus benefits, if any) ;
- Variable compensation

The remuneration structure of control functions' personnel will not compromise their independence or create conflicts of interest in their advisory role to the Board. The remuneration level of staff in the control functions allows employing qualified and experienced personnel for these functions.

Where the staff performing control functions receives variable remuneration, it will be based on function-specific objectives and will not be determined solely by the performance of the Company and/or the AIFs. Any conflicts of interests potentially related to the variable remuneration will be properly addressed.

Internal audit function is delegated by the Company, its compensation is based on pre-determine arrangement independent from the performance of the funds and does not promote any risk taking.

Further conflicts of interest which might arise if other business areas had undue influence over the remuneration of staff within control functions should be adequately managed. Control functions will not be placed in a position where, for example, approving a transaction, making decisions or giving advice on risk and financial control matters could be directly linked to an increase or decrease in their performance-based remuneration.

Objectives of control functions' personnel may

include: Internal control functions - all:

- implementation of pre-agreed strategic objectives;
- regular and active participation at Company meetings;
- reporting to, and interaction with, the Company's top management;
- promotion of best practices and
- managing and guiding junior members of the team.

Finance specific objectives:

- timely and accurate annual financial reporting;
- improving profitability;
- efficient processes and monitoring of outsourced services.

Risk specific objectives:

- Ensure implementation of the risk management policy
- Executing risk management processes thoroughly and completely

Compliance specific objectives:

- ensure compliance in line with internal and external laws and regulations

- remaining updated on relevant legislation and its impact on the Company;

8. DISCLOSURE

- *Internal disclosure*

This remuneration policy will be accessible to all staff members, 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 remain confidential and will thus not be internally disclosed.

The information provided to staff members will contain the following elements:

- information on the link between pay and performance;
- information on the criteria used for performance measurement;
- information on the performance criteria on which the entitlement to variable components of remuneration is based.

- *External disclosure*

The information provided externally – available on request - will contain the following elements:

- information on the decision-making process;
- information on the link between pay and performance;
- information on the criteria used for performance measurement and the risk adjustment;
- information on the performance criteria on which the entitlement to variable components of remuneration is based.

The Company shall ensure common, uniform and consistent application of remuneration principles set out in this policy and will provide periodic disclosure on remuneration in the annual report of the AIFs in accordance with the requirements of the AIFMD requirements.

The Company will ensure that the disclosure is clear and easily understandable and published on at least an annual basis and as soon as practicable after the information becomes available.

Remuneration disclosure will at least contain the following:

- the total amount of remuneration of the financial year, split into fixed and variable components, paid to the staff of the Company, the number of beneficiaries;
- Aggregated amounts broken down by senior management and those members of staff whose professional activities have a material impact on the risk profile of the relevant AIF.