

8 REMUNERATION POLICY

8.1 Definitions

Control functions	Staff members (other than the MB members) responsible for risk management and compliance.
Identified Staff	Categories of staff members whose professional activities have a material impact on the Companies' risk profile or the risk profiles of the Saemor Funds.
Fixed remuneration	Payments or benefits without consideration of any performance criteria.
Fund	Saemor Europe Alpha Fund.
Policy	The Remuneration Policy as amended from time to time.
Remuneration	<p>All forms of (fixed and variable) payments or benefits made directly by, or indirectly, but on behalf of the Company in exchange for professional services rendered by staff members including the Management Board. This may include monetary payments or benefits, such as cash, shares, options, cancellation of loans to staff members at dismissal, pension contributions, remuneration by third parties or non (directly) monetary benefits such as health insurance, discounts or any special allowances.</p> <p>Ancillary payments or benefits that are part of a general, non-discretionary, Company-wide policy and pose no incentive effects in terms of risk assumptions do not fall under the definition of remuneration of this policy.</p> <p>Remuneration does not include any benefits resulting from holding 1) shares or certificates of shares in the Company which are bought by staff members (acting as financiers of the Company), or (2) units of participation in the Funds managed by the Company which are bought by staff members (acting as regular participants).</p>
Variable remuneration	Payments or benefits, additional to fixed payments, which depend on individual performance measured by several criteria.

8.2 Scope and objective

This document contains the remuneration policy of the Company including the guiding principles for remuneration, the remuneration structure, the governance and the disclosure. The Policy is based on and compliant with the AIFMD, the ESMA "Guidelines on sound remuneration policies under the AIFMD and the Dutch Act on Financial Supervision ("Wft")².

A key objective of the Policy is to ensure that the total remuneration package enables the Company to attract and retain highly talented Staff members. The Company provides attractive terms of employment, of which remuneration, personal development, training, working environment,

² Articles 1:117-1:127 Wft.

intellectually stimulating environment are all important components. As such, the Policy contributes to achieving the Companies' strategic goals.

Another key objective of the Policy is to promote sound and effective risk management as well as to discourage risk-taking that exceeds the level of tolerated risk of the Company and its Funds.

The Policy applies to all Staff members including the MB. The Policy provides details on which guidelines apply to the Company as a whole and which apply to a specified group of Staff members.

The Company reserves the right to amend the Policy if circumstances (such as changes in the law or regulations) should necessitate this. The Company will follow the appropriate procedure and will inform its employees of the changes.

Proportionality

The Company complies with the rules and regulations in a way and to the extent that is appropriate to its size, internal organization and the nature, scope and complexity of its activities. The Company has decided not to apply the following:

- the requirement on the pay-out process with regard to variable remuneration in financial instruments;
- the requirement to establish a remuneration committee.

See Appendix 1 for further information.

Responsibility

Due to the limited size of the Company it has no separate supervisory body. The MB is responsible for the design, approval, implementation and oversight of the Policy. Salaries of the MB members (statutory directors) of the Company can only be amended upon approval of the General Meeting of shareholders ("AvA").

8.3 General Principles

The Policy is based on the following principles:

- Total remuneration package enables the Company to attract and retain highly talented Staff members.
- The Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company and its Funds.
- The remuneration structure of the Company ensures a proper balance between variable and fixed remuneration to attract, motivate and keep qualified Staff members.
- Variable remuneration is never guaranteed.
- Variable remuneration is performance related. The total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the overall results of the Company and when assessing individual performance, quantitative (financial) criteria and qualitative (non-financial) criteria are taken into account. However, consideration will also be given to other relevant factors, such as: i) for mid-year joiners, the proportion of the reference period worked and ii) any periods of absence, for example extended leave or career breaks.

- The assessment of the performance is set in a multi-year framework in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a multi-year period.
- Staff engaged in control functions are independent from the activities they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
- The metrics used to calculate (pools of) variable remuneration components include (adjustment for) all relevant types of current and future risks.
- The assignment or payment of variable remuneration should not adversely affect the financial situation of the Company (in terms of solvability, liquidity, profitability) in a significant matter, as to be determined by the MB.
- Staff members who leave the Company or have given notice to leave the Company before any variable remuneration payment is made shall lose entitlement to that payment.
- Payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure. This does not preclude termination payments in situations such as early termination of the contract due to changes in the strategy of the Company, or in merger and/or takeover situations or when the termination payment is set in a legal (court) proceeding.

8.4 Strategy

The Policy is consistent with and supports the strategy of the Company, the investment objectives of the Saemor Funds and the interests of the participants of the Saemor Funds.

Strategy

The Company is a Dutch based AIFM managing one AIF, the Saemor Europe Alpha Fund. The Company strives for growth of its assets under management by enlarging the investor base, providing attractive on-shore and off-shore fund structures in well-established jurisdictions.

Fund Investment objective

The Fund's objective is to achieve capital appreciation in the middle to long term through investing in a diversified portfolio that is predominantly composed of long and short positions in listed equities. The investment universe encompasses Europe, the Middle East and Africa (EMEA). Investment focus will, however, to a large extent be on European countries. The Fund aims for returns that have a low correlation with the returns of relevant market indices. The Fund is not tied to a benchmark nor is it set up to outperform any kind of peer group.

Personal targets staff

The Policy aims at aligning the personal objectives of Staff members with the strategy and investment philosophy of the Company and the Fund's investment objective.

8.5 Remuneration

General

The Company regularly compares its levels of remuneration with those of other, comparable companies. The Company ensures that the total remuneration package remains competitive and provides proper and risk-based incentives.

To ensure that Staff members are compensated in accordance with the desired market positioning, the alignment to the desired market position is addressed annually by the Company. The annual review is based on amongst others inflation, developments in the industry, size of the Company and the location of the Company.

Remuneration Categories Staff

Management Board members

The remuneration components consist of³:

- Fixed remuneration: salaries of the MB (statutory directors) of the Company can only be amended upon approval of the general meeting of shareholders.
- Variable remuneration: the Company takes a balanced and proportionate approach regarding the variable remuneration compared to fixed remuneration.
- Others: contribution pension premiums, travel allowance and holiday allowance.

CIO and Portfolio Managers

The remuneration components consist of:

- Fixed remuneration
- Variable remuneration: the Company takes a balanced and proportionate approach regarding the variable remuneration compared to fixed remuneration.
- Others: contribution pension premiums, travel allowance, holiday allowance and for some employees a "market allowance" ("Markttoeslag")

Other Staff members

The remuneration components for most of the Other Staff members consist of:

- Fixed remuneration
- Variable remuneration: some categories of staff will have a variable remuneration which is properly balanced compared to fixed remuneration.
- Others: some current employees will receive one month salary if the Company makes a profit, contribution pension premiums, travel allowance and holiday allowance.

8.6 Identified Staff

Some of the Staff members mentioned above qualify as Identified Staff. The following categories of staff have material impact on the Companies' risk profile or on the Funds they manage:

1. Management Board Members
2. Chief Investment Officer (CIO)
3. Control Functions
4. Other Risk takers

An annual review takes place to determine the Identified Staff of the Company.

³ Management Board members may receive remuneration in the form of a management fee paid to their personal holding companies.

The MB has decided that in principle no distinction is made regarding remuneration between Identified Staff and other staff.

8.7 Annual Performance Management Cycle

The annual performance management cycle may lead to an increase of the fixed remuneration of Staff members if the agreed targets have been met and/or higher salary is justified by higher levels of responsibility and/or changes in labour markets.

The variable remuneration is based on the principle “pay for performance”. Target setting and evaluation of the performance of the targets is key in the process of vesting the variable remuneration. Risk alignment is embedded in the target setting and the evaluation of the performance.

Each Staff member will set its personal targets in cooperation with the MB.

8.8 Variable Remuneration

Funding variable remuneration

Prior to the start of a performance year the MB determines the maximum amount for the funding of the variable remuneration pool based on a certain percentage of the management fee and the performance fee.

A risk assessment will be performed on the total variable compensation remuneration pool to ensure that the size of the variable remuneration pool budget is acceptable given the financial soundness of the Company. See also under “Risk alignment variable remuneration”.

Personal Targets

Prior to the start of a performance year personal targets will be set which are relevant for the variable remuneration.

The targets are a mix of quantitative (financial) and qualitative (non-financial targets).

Examples of quantitative targets are:

- performance of the funds
- volatility
- net assets raised
- earnings/ profit

Examples of qualitative targets are:

- contribution to strategic targets
- contribution to/ implementation of new processes
- compliance with internal and external rules
- client satisfaction and cooperation with other departments.

Unethical or non-compliant behavior will override any good financial performance generated by the staff member and will lead to an adjustment of the variable remuneration.

The following applies to the remuneration of Staff members engaged in Control functions.

- Variable remuneration will be based on function-specific objectives and will not be determined solely by Company-wide performance criteria.

- The remuneration structure of Control functions will not compromise their independence and will not create conflicts of interest in their advisory role to the MB.
- Control functions will not be placed in a position where making decisions or giving advice on risk, compliance and financial control matters could be directly linked to an increase or decrease in their performance based remuneration.

Based on the job function the weightings of the targets are different. The weightings for e.g. Company-wide targets are higher for the CEO in comparison to other Staff members.

Measurement Individual targets

For each staff member SMART⁴ personal targets will be set in line with the Policy. The minimum number of targets per Staff member is 4. Per Staff member at least 50% of the targets should exist of qualitative targets.

The MB will apply the following scorecard to measure the targets:

- 1= No performance
- 2= Below target
- 3= At target
- 4= Above target
- 5= Excellent performance

Individual award process

The individual award process is at the discretion of the MB. After the calculation of the funding of the variable remuneration pool but prior to the performance year, the MB will decide upon the percentages related to the scores 3, 4 and 5. These percentages are based on the calculated variable remuneration pool funding.

Based on the average target score the individual amount of variable pay will be determined using several criteria with different weight factors for each function, reflecting overall responsibility within the Company and the specific personal contributions to specific factors.

The variable remuneration will always be properly balanced compared to the fixed remuneration. An average target score below 2 will not lead to a variable remuneration ("only pay for performance").

Pay-out process

Any payment will be outlined in individual letters to each staff member including the MB.

Variable remuneration component consists of a deferred and a non-deferred part. 40% of the variable remuneration component is deferred and 60% is non-deferred and will be paid out after vesting/determination of the variable remuneration.

The deferral period always starts at the moment the upfront part of the variable remuneration is paid out and can be coupled to cash variable remuneration. The deferral period is three years. One-third of the deferred remuneration vests and will be paid at the end of each of the years n+1, n+2 and n+3, where "n" is the moment at which performance is measured to determine the variable remuneration.

⁴ SMART= Specific, Measurable, Achievable, Realistic and Time

See Appendix 2 for the deferral schedule.

8.9 Risk Alignment Variable Remuneration

The requirements on risk alignment apply to all Staff members. To limit excessive risk taking, variable remuneration should be performance-based and risk adjusted. To ensure this the Company has adopted a risk alignment process. Risk assessments will take place prior to target setting and the pay-out process (including vesting).

Ex ante assessments

Target Setting

The total variable remuneration pool budget and the performance targets should be in line with the strategy, the objectives and the risk appetite of the Company and its Funds.

Prior to the start of a performance year a risk assessment will be performed on the total variable remuneration pool to ensure that the size of the budget is acceptable given the financial soundness of the Company.

In addition, a risk assessment will be performed on the personal performance targets to ensure that the personal targets are aligned with the strategy of the Company and its Funds.

Pay-out process

At the end of the performance period but prior to assessing the vesting and pay out of variable remuneration a risk assessment will be performed to ensure that the vesting and payments support the risk tolerance of the Company. For this purpose the following is taken into account:

- Breaches of law and regulation
- Breaches of internal policies
- Risk limits breaches
- Errors/risk events

The risk assessments may lead to an adjustment (downwards only) of the variable remuneration.

Ex post assessments

Malus

In order to determine whether the deferred variable pay should vest or should be adjusted due to risks and errors that have appeared since the Staff member was awarded its variable remuneration component, a risk assessment will be performed. The adjustment is the so called "malus". The malus will be applied in case of:

- Significant downturn in the financial performance
- Evidence of misbehavior or serious error by the staff member
- Significant failure in risk management
- Significant changes in the Company's overall financial situation

Clawback

After pay out of the variable compensation it will remain subject to a claw back procedure. Under this clawback the Company can reclaim payments of variable compensation made to Staff members in case of:

- Material financial restatements that affect the pay outs made;
- Individual gross misconduct of the staff member (e.g. fraud, misleading information).

8.10 Governance

The MB is responsible for adoption, amendment, implementation and review of the Policy.⁵

Design Policy

The Management Board adopts amongst others the following:

- the principles of the Policy;
- the Company targets;
- the personal targets regarding fixed remuneration;
- the personal targets regarding variable remuneration;
- the calculation and determination of the variable remuneration pool;
- the vesting and payout of variable remuneration;
- the necessity to take ex ante or ex post measures with regard to the variable remuneration (malus and clawback).

If necessary, the MB will ask for approval of the general meeting of shareholders.

Member of the MB responsible for Compliance and Risk:

- advises the MB regarding remuneration matters including the update of the Identified Staff.
- will review the remuneration of staff engaged in Control functions to safeguard the independent role of the compliance and risk function within the Company;
- is responsible for executing de risk assessments regarding target setting and evaluation of de performance (*ex ante and ex post assessments*);
- is responsible for proper documentation of decision-making process;
- the annual review of the remuneration structure.

The independent auditor has been appointed to check whether the variable remuneration calculation has been executed according to the determined method.⁶

Annual review

The annual review includes whether the overall remuneration structure of the Company:

- operates as intended (in particular, that all agreed plans/programs are being covered; that the remuneration pay-outs are appropriate, and that the risk profile, long-term objectives of Saemor are adequately reflected); and
- is compliant with national and international regulations, principles and standards.

The Control functions will be closely involved in reviewing the remuneration structure of the Company. Where periodic reviews reveal that the remuneration structure does not operate as intended or pre-scribed, the MB should ensure that a timely remedial plan is put in place. The periodic review of the implementation of the remuneration policies and practices may be, partially or totally externally commissioned.

⁵ Due to the size of the Company it has no separate supervisory function as mentioned in the AIFMD and ESMA Guidelines.

⁶ The appointment of the auditor to this goal has been agreed and described in the shareholder agreement.

8.11 Disclosure of remuneration

External disclosure

The Company shall disclose information regarding remuneration in the annual reports of the Company and its Funds in line with the applicable rules and regulations.

Internal disclosure

The Policy will be accessible to all Staff members. The Company ensures that the information regarding the Policy disclosed internally reveals at least the details which are disclosed externally. The Staff members should know in advance the criteria that will be used to determine their remuneration. The annual appraisal process will be properly documented and will be transparent to the Staff member concerned.