

INTERNAL RULES OF PROCEDURE

July 2024



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Article 1 APPLICATION FOR MEMBERSHIP (see Chapter 2 of the articles of association)

Application for membership or associate membership should be submitted in writing to ALFI, using the official application form.

Eligibility of full members (See article 7 A of the articles of association)

In order to be and remain eligible for membership with the Association, asset managers should register a minimum, relevant proportion of their Luxembourg-based funds with ALFI. Therefore, the following rules apply:

- Undertakings for Collective Investment and other investment vehicles are eligible for membership with the association if their initiator complies with a registration ratio equal to 50 % of the theoretical maximum contribution payable if 100% of its Luxembourg-based funds were registered with ALFI;
- Fund and asset management companies are eligible for membership with the Association if they comply with a registration ratio equal to 50 % of the theoretical maximum contribution payable if 100% of their Luxembourg-based funds were registered with ALFI. A derogation may be granted for companies who confirm by declaration of honour that they are third-party management companies.

Example:

Applicant initiator: XXX Asset Management S.A.	Nber of funds	Nber of sub-fds	Year N-1 AuMs (Eur Mio)	ALFI Annual contribution Year (N) (Eur)
Funds registered with ALFI	16	60	12 635	28 300
All Funds	20	154	107 847	87 525
Registration Ratio for XXX Asset Management S.A. :				
= 28 300 / 87 525 = 32%				

Upon application for membership, a declaration of honour is requested from funds and asset management companies to confirm that they comply with the registration ratio.

The ALFI Head Office may request a confirmation that the other service providers referred to in article 7A2) of the articles of association are not initiators of any Luxembourg-based fund.

If an investment manager, as referred to in Article 7A 2), third bullet point of the articles of association, applies for membership with the Association and is initiator of Luxembourg-based funds, only his quality as initiator will be taken into account.

The ALFI Head Office will analyse the applicant's situation and may request any necessary information for this purpose.

Eligibility of Associate members *(See article 7B of the articles of association)*

Upon application for membership with the Association, associate members must sign a declaration of honour confirming that they are not initiators of any Luxembourg-based funds; otherwise, the registration ratio will also apply.

Individual membership *(See article 7C of the articles of association)*

Applications for individual membership must be accompanied by a biography and an excerpt of the individual's criminal record ("*extrait du casier judiciaire*") delivered a maximum of two months before the date of application.

The ALFI Head Office will check whether the file is complete and, if necessary, request further information and/or clarification. The application will then be submitted for approval to the Board of Directors.

Every two years, individual members must sign a statement confirming that they meet the abovementioned criteria.

Article 2 PARTNERSHIPS AND COLLABORATION AGREEMENTS WITH OTHER ASSOCIATIONS

The Board of Directors, upon suggestion by the Executive Committee or the ALFI Management, may enter into partnerships or collaboration agreements with another association if deemed to be to the benefit of both associations.

Article 3 GENERAL MEETING

- 1) Procedure at the General Meeting in case of secret ballot *(see Articles 8, 9, 12 and 13 of the articles of association)*

When a secret ballot is required by the articles, a procedure for such voting is drafted, and an early voting procedure can also be established. A court bailiff shall be requested to supervise the elections of the Board of Directors in case of a secret ballot and a vote on modifications of the articles.

If the General meeting is held at a distance, members participating in the decision-making will be deemed present for the calculation of the applicable quorum and majority requirements.

Article 4 BOARD OF DIRECTORS AND CHAIRMANSHIP

- 1) Candidacies for Board elections *(See Article 13 of the articles of association)*

A formal call for candidates to Board elections is sent to the membership in due time of an election year with a deadline for submitting candidacies. No candidacies may be accepted after such deadline.

The Board of Directors may define eligibility criteria for the Chairperson, the Vice Chairpersons and the Treasurer.

It is ALFI's aspiration to ensure a fair representation of the membership, as well as diversity, on the Board of Directors.

The board is composed of a maximum of 29 seats in order to allow for more inclusion.

The following sectoral lists and quotas are retained in board elections in order to shape the composition of the board.

#	Sector	Max Seats
List 1	Asset managers (whether represented by their Fund or by their in-house ManCo)	17
List 2	Legal advisors, independent auditors, consultants	7
List 3	Asset and investor services firms, banks or credit institutions Including depository banks, PSFs, iCSDs, corporate services firms, distribution and distribution support firms.	2
List 4	Alternative and private asset managers (including fund of funds)	2
List 5	Others not eligible for Lists 1 to 4, such as Fintech/Regtech members or Third-party management companies (as defined in Article 1 of the Internal Rules of Procedure)	1
Total		29

Before each election, the ALFI Board may suggest, as deemed appropriate, on how to achieve the desired outcome of geographic diversity (for example, prescribing a minimum number of countries/regions to reflect the Asset Manager representation on the Board),

Candidates may stand for election on one list only, being the list for the sector in which their employer is active in Luxembourg. The ALFI Head Office checks a candidate's eligibility for Lists 1, 2, 3 and 5 on a prima facie basis and for List 4 on the basis that the manager has at least 90% of its Luxembourg-managed AuM invested in private assets (i.e. not transferable securities). The General Secretariat refers eligibility disputes to Board and submits the final list of candidates to the Board, whose decision will be final.

2) Election Committee (See Article 14 of the articles of association)

The Board of Directors may decide to set up an Election Committee, the composition of which it will determine, to identify possible candidates for the Chairmanship of the Association.

3) Observers (See Article 13 par.1 of the articles of association)

Observers may be invited to attend Board meetings on an ad-hoc or permanent basis. The Board of Directors may, from time to time, invite internal or external experts to attend its sessions.

4) Transition period after the elections

To ensure the continuity of the day-to-day management of the Association, the outgoing Chairperson, the Vice-Chairpersons, and the Treasurer retain their signing powers until the signatory powers of the new Chairperson, Vice-Chairpersons, and Treasurer have been executed.

5) Responsibilities of the Board of Directors (See Article 14 of the articles of association)

The Board of Directors may delegate day-to-day powers to the Executive Committee and to the ALFI Head Office as shall be determined by the Board within the limits set forth in these rules of procedure.

The Board appoints the Chief Executive Officer (CEO), the Deputy Chief Executive Officer and the members of the ALFI Management Team.

The Board of Directors may determine the eligibility criteria for the Chairperson and Vice-Chairpersons of the Association.

The Board determines the manner in which the present internal rules of procedure shall be made public to the members of the Association.

The ALFI Board introduces a Terms of Reference (ToR) reflecting the following considerations;

- the Board clearly represents the voice of members and strives to ensure a consensus industry view across all sectors and elements of the eco-system
- the Terms of Reference cascades into a ToR for each of StratBo and RegBo

Each individual Board member is invited to :

- represent their constituents, and be accountable to them to carry their views to the Board
- be visible, active, and engaged leaders and advocates of the Association
- participate actively in Board sponsored senior strategic working groups, take responsibility for one/several technical committees, or assuming a leadership role in delivering a particular ALFI strategic initiative

In order to increase effectiveness, the Board carries out a periodic self-assessment process and focuses on maintaining a harmonious and collaborative culture at Board level,

6) Meetings (See Article 13 par. 4 of the articles of association)

The Chief Executive Officer (CEO) may call in members of staff of the ALFI Head Office to meetings of the Board of Directors for specific issues. Any member of the Board of Directors may request agenda items to be discussed solely amongst members of the Board of Directors.

Furthermore, the Board pack:

- relies on executive summaries with details in appendices and uses dashboard/KPIs to track all initiatives, especially the delivery of strategic imperatives
- includes feedback loops (e.g. progress reports, annual working program) covering the work of the RegBo, StratBo, technical committees and Fora with a view to ensuring consistency with the overall strategy

With a view to better align the work of the Technical Committees and the Events program, the StratBo, ExCo and RegBo, under the leadership of the ALFI Head Office, oversee the technical working groups to ensure focus, avoid proliferation, delivery of a ToR as well as an annual working program for each.

Senior “ownership” of each Technical Committee is secured by a specified board member.

7) Representation of the Association

To ensure credibility and the effective representation of the financial centre, the Association may cooperate with other professional associations, institutions, or organisations that pursue a similar purpose.

The following means of cooperation, among others, may be adopted:

- Exchanges with other associations, with or without observer status;
- The organisation of meetings at all levels to address common issues;
- The establishment of joint committees;
- The provision of services to other associations as part of a cooperation agreement.

Upon authorisation by the Board, the Association may be represented with national, international, and supranational bodies/associations or other entities by a member of senior Management or a representative designated by the Board. Such representatives may be assisted by experts.

If a code of conduct or any other document is elaborated by a European or international association, the ALFI Head Office assesses the need for submitting such document to the Board of Directors for formal approval or circulation to the membership.

Article 5 EXECUTIVE COMMITTEE (“ExCo”)

1) Composition and functioning (See Article 15 of the articles of association)

The Executive Committee members are appointed by the Board of Directors at the first Board meeting after the election of the Chairperson and comprise, at a minimum, the Chairperson of ALFI, the two Vice-Chairpersons, the Treasurer, and the Management team of the Association. The Executive Committee may permanently invite a chair of an internal body of the Association or other guests to attend the meetings.

Article 6 REGULATION ADVISORY BOARD (“RegBo”)

1) Role:

The objective of the RegBo is to act as an advisor on regulatory and prudential issues. The RegBo regularly updates the ALFI Board on the regulatory agenda and the activities performed by the RegBo and different working groups .

2) Composition

The composition of the RegBo is defined by the Board of Directors. A number of seats are reserved for industry experts who are not members of the ALFI Board.

RegBo members must represent the interests of the Luxembourg fund industry.

3) Meetings:

The RegBo meets (at least) four times a year, approximately two weeks before the respective ordinary meeting of ALFI's Board of Directors. In the event where an urgent or unexpected issue or project requires immediate action, a special meeting will be convened.

4) Procedure:

Information on the RegBo's conclusions and proposals will regularly be provided to the Board of Directors and, as the case may be, to the Chairpersons of the Technical Committees/Fora in order to ensure a consistent approach to the various topics addressed.

Article 7 STRATEGIC ADVISORY BOARD ("StratBo")

1) Role:

The objective of the StratBo is to design and execute the ALFI strategy and ensure adequate communication to all stakeholders. The StratBo secures alignment of the technical committees/working groups with the overall defined strategy.

2) Composition:

The Board elects the members of the StratBo. Membership is primarily made up of Board members, but it is also foreseen that there may be areas where supplement competencies with non-board members able to second industry expertise are needed when required.

The Chairperson's appointment is critical; its role requires alignment with ExCo and RegBo.

The StratBo may further invite any other director or person to attend specific meetings by invitation.

3) Meetings:

The StratBo meets periodically on a pre-approved schedule to ensure progress on meeting deliverables and updates to the Board. In the event that an urgent or unexpected issue or project requires immediate action, a special meeting will be convened.

4) Procedure:

Information on the StratBo's conclusions and proposals will regularly be provided to the Board of Directors and, the case may be, to the Chairpersons of the Technical Committees/Fora in order to ensure a consistent approach to the various topics addressed.

Article 8 ALFI HEAD OFFICE

1) Recruitment procedures

The Management team will be in charge of recruiting employees and will provide appropriate information to the Executive Committee. The ALFI Management team will also be in charge of recruiting and members of the Management Team and will

make a proposal for this purpose to the Board of Directors and the Executive Committee.

2) Signing powers for staff

In order to allow for a swift execution and validation of payments (electronic or physical transfer), the Board of Directors may confer signatory powers to members of the staff.

Article 9 **MANAGEMENT TEAM** (See Article 16 of the articles of association)

The Board of Directors may delegate the day-to-day management of the Association to the Management team.

The Chief Executive Director (CEO), chairs the Management Committee (and, in their absence, their Deputy) and acts as its spokesperson.

The Management team ensures :

- The proper functioning of the Association
- The implementation of decisions taken by the Board of Directors, the Executive Committee and the General Meeting
- Any contact with authorities, professional organisations, and other bodies that prove necessary for this purpose.

An extended committee composed of the representatives of the various departments will meet regularly to coordinate the various projects.

Article 10 **TECHNICAL COMMITTEES AND FORA** (See Article 17 of the articles of association)

1) Creation and Chairmanship

Technical Committees and Fora are platforms for experts to meet regularly, to exchange views on subjects of common interest, to draft documents, to organise events, and to analyse and monitor significant new developments.

The **Technical Committees and Fora** are set up by the Board of Directors. The Board approves the main objectives of the Technical Committees and Fora and appoints their **Chairpersons**. A maximum of three Chairpersons per Technical Committee or Fora can be appointed.

In general, only representatives of full members may chair the Technical Committees and Fora. The Chairpersons are responsible for:

- Exercising reasonable care, skill and due diligence and acting in the best interests of the Association;
- Advising the ALFI Head Office on the Technical Committees' or Fora's agendas;
- Ensuring that all discussions fall within the Technical Committee's or Fora's remit and/or that the views of other relevant Technical Committees or Fora are sought;
- Conducting Technical Committee or Forum discussions in an impartial manner;
- Seeking to develop a unanimous position on any matter for proposal to the RegBo/Board by ensuring that all views are registered, that the analyses backing those views are explained and debated, and that, where possible and appropriate, compromise positions are offered and considered.
- Relaying or advising on what should be relayed to the RegBo and/or Board as regards any proposed ALFI positions (and, where appropriate, any minority

positions), highlighting any identified cross-cutting, high level or controversial issues.

Within each Technical Committee/Fora, one or several **Sub-Committees/(Sub-) Working Groups** may be set up as determined by the Chairperson of the Technical Committee/Sub-Committee in coordination with the ALFI Head Office. In general, a (Sub-)Working Group has a limited life in as much as it is created for a specific project or issue. (Sub-)Working Groups may be established either within a single Technical Committee or jointly with another/other Technical Committee(s) either of ALFI or another association.

The **Chairperson(s) of a Sub-Committee/(Sub-)Working Group** is/are appointed by the Chairperson(s) of the Technical Committee/Forum concerned in coordination with the ALFI Head Office. A maximum of three Chairpersons per Sub-Committee or (Sub-)Working group can be appointed. The Chairperson(s) of a Sub-Committee/(Sub-)Working Group report(s) to the Chairperson(s) of the Technical Committee/Fora from which she/he/they derive(s). In carrying out this function, she/he/they has/have the same responsibilities as the Chairperson(s) of Technical Committees and Fora.

In the following exceptional cases, the ALFI Head Office is allowed to set up **Ad-Hoc Working Groups**:

- a) A position paper or response to a consultation must be prepared within a short timeframe (up to one month), but the topic does not fit within the given structure of ALFI's Technical Committees or Fora. In this case, the ALFI Head Office can perform or kick off the work by setting up an Ad-Hoc Working Group. Simultaneously, the ALFI Head Office must submit a request for a review of the structure to the Board of Directors unless the topic becomes irrelevant after the short timeframe.
- b) The topic is very sensitive or confidential. Its disclosure would be to the detriment of the Luxembourg fund industry.

2) Coordination and Support

The ALFI Head Office appoints for each Technical Committee, Fora, Sub-Committee and (Sub-)Working Group a staff member as Coordinator. In carrying out this function, the Coordinator is assisted by staff members of the ALFI Head Office specifically dedicated to supplying support functions for the relevant group (e.g. convening of meetings). The Coordinator participates in the meetings and assists in the drafting of documents.

3) Membership

The membership of a Technical Committee, Fora, Sub-Committee or (Sub-) Working Group should reflect the diversity of the Luxembourg fund industry. In general, and save for a decision to the contrary by the Board of Directors or general Management, only representatives of full ALFI members may participate in the work of ALFI's Technical Committees, Fora, Sub-committees or (Sub-)Working Groups. Additional experts can be invited by the Chairperson(s) on an exceptional basis, after consultation with the ALFI Head Office.

As a rule, interested member companies can be represented by one employee. In exceptional cases, the ALFI Head Office may accept a maximum of two representatives per company, in particular, if a Chairperson needs support from a colleague.

In agreement with the ALFI Head Office, the Chairperson(s) may define a maximum number of members and an objective criterion for selection. The number of members joining a Technical Committee/Fora/Sub-Committee/(Sub-)Working Group should be carefully assessed in such a manner that the Technical Committee/Fora/Sub-Committee/(Sub-)Working Group is in a position to manage its project as efficiently as possible. Members of a Technical Committee/Fora/Sub-

Committee/(Sub-)Working Group should preferably be based in Luxembourg or be able to regularly visit Luxembourg in order to ensure regular attendance to the meetings.

If a member cannot attend a meeting or conference/video call of a Technical Committee/ Fora/Sub-Committee/(Sub-)Working Group, the member is asked to inform the ALFI Head Office of his or her absence and a possible replacement by a colleague.

In case of physical meetings, the ALFI Head Office ensures that the meeting participants sign an attendance list. A staff member records the attendance, and the attendance record is regularly reviewed by the Coordinator. The ALFI Head Office has the power to exclude a member of a Technical Committee/ Fora/Sub-Committee/(Sub-)Working Group in case of persistent absence or inactivity. Persistent absence shall be proved if a member did not attend the last three meetings held by a Technical Committee/ Forum/Sub-Committee/(Sub-) Working Group.

The members of a working group agree that their name, e-mail address and other business contact details may be disclosed to the members of the respective working group, as well as to ALFI's governing bodies.

4) Application procedure

Applicants must:

- send to the ALFI Head Office in electronic form a written application together with a recent short biography;
- demonstrate appropriate experience in the investment funds area and indicate specific competencies;
- specify the working group(s) that they wish to join;
- undertake to comply with the current guidelines and commit to actively contribute to ALFI's work and to share their know-how with other members;
- undertake to inform ALFI in case of a change of employer;
- undertake to resign in the event of departure from the fund's industry or long-term unavailability.

5) Operation

Meetings shall principally take place on the premises of ALFI or via video conference. The Chairperson(s) and the Coordinator in charge should try to find a date and time convenient to all parties.

Before drafting documents that are meant to be published, the Coordinator should ensure that the approval process as determined by Article 11 is met.

If applicable and notified accordingly, Chairpersons and members of a Technical Committee/ Fora/Sub-Committee/(Sub-)Working Group should treat documents and discussions as confidential. Relevant matters may be discussed with appropriate colleagues of the member company but not with non-committee members or outside parties unless express permission is given by or on behalf of the ALFI Head Office.

As a general rule, only the Chairpersons of the Technical Committees and Fora, as well as the Coordinators, are allowed to get in contact on behalf of ALFI with national authorities, the Luxembourg regulator, EFAMA or any other European or international association or institution. They ensure that the ALFI Head Office and, if needed, the governing body in charge (e.g. Board of Directors or RegBo) have given their prior consent, in particular with regard to the submission of written documents on behalf of ALFI. During meetings, the Chairpersons of Technical Committees/Fora/Sub-Committees/(Sub-)Working Groups and Coordinators can be accompanied by a limited number of further experts that are members of the Technical Committee/Fora/Sub-Committee/(Sub-)Working Group.

During the kick-off meeting of a Technical Committee/Fora/Sub-Committee/(Sub-) Working Group, the Chairperson(s) should refer to the rules of procedure and remind members that they:

- should actively contribute to the work of the Technical Committee/Fora/Sub-Committee/(Sub-)Working Group;
- regularly attend meetings and inform the ALFI Head Office of any (non-) attendance and possible replacements;
- treat documents or discussions as confidential;
- are not allowed to get in contact on behalf of ALFI with national authorities, the Luxembourg regulator, EFAMA or any other European or international association or institution.

The ALFI Head Office reports to its members on the work performed by the Technical Committees/Fora/Sub-Committees/(Sub-)Working Groups via its website, members section, annual report, electronic newswatches, press releases and other ad-hoc communications. Access to the member's section (SharePoint) is, however, limited to members. The access code issued for each member is personal.

Article 11 ANTI-TRUST POLICY

Neither ALFI nor its members shall enter into any discussion, activity or conduct that may infringe any applicable competition law rule. In particular, the association's members shall not discuss, communicate or exchange any commercially sensitive information such as non-public information relating to prices, turnover, marketing and advertising strategy, terms of supply, trade programs or distribution strategy.

The abovementioned principles must be reminded to attendees at the beginning of each working group meeting.

Article 12 PUBLICATIONS, GUIDELINES

General remark

An intranet (SharePoint – Member section) is made available to the members. Publications and guidelines are posted on this intranet as follows: general documents are available for all members. However, access to the Working Groups documents is restricted to the members of those Working groups.

Documents published by ALFI are not legally binding on the ALFI membership. Nevertheless, they complement the existing regulatory framework and are designed to promote and encourage high professional standards, integrity and quality of market participants. Certain documents may only be accessible to the ALFI membership.

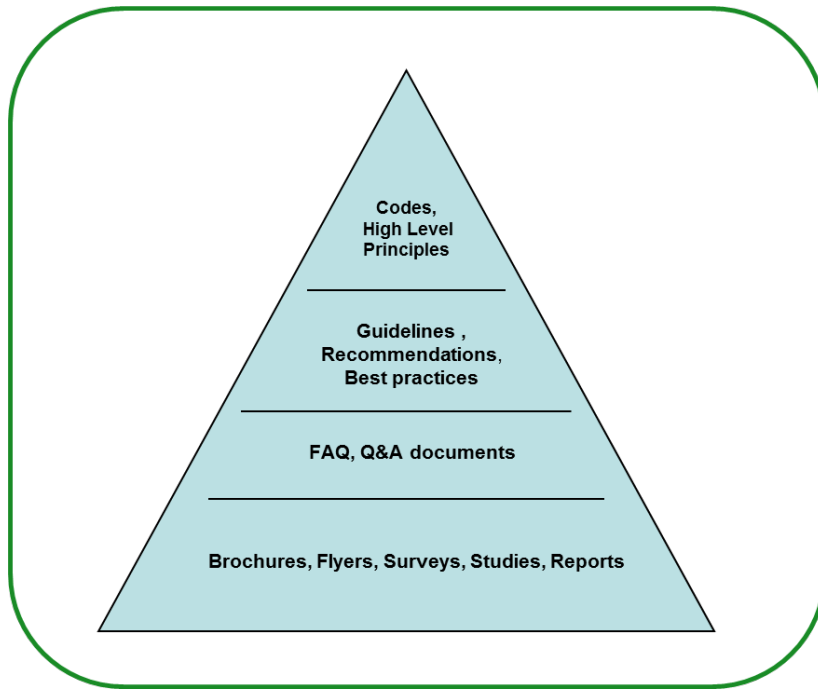
A disclaimer must be incorporated in any guidance issued by ALFI which is resulting from the work of an ALFI working group, such as guidelines, Q&As etc.

In order to ensure ALFI's policy, its objectives and the efficient use of limited resources, any ALFI working group willing to initiate the production of a document must obtain a project validation **BEFORE** launching the project.

The competent ALFI governing body or ALFI Head Office will be informed and decide whether the proposed topic and format are in line with the general business development, marketing plans, and regulatory environment and fits within budgets.

Types of publications

The following categorisation serves as general guidance to label documents issued on behalf of ALFI. Exceptions can be permitted in case of specific circumstances.



1) Codes and High-Level-Principles

Codes and High-Level Principles are common principles that all industry participants normally should adhere to (e.g. ALFI Code of Conduct).

Application:

- The ALFI coordinator informs the chair of the respective Technical Committee or Fora of the working group's intention to draft a document
- The ALFI coordinator fills in the application form, which is available at the ALFI Head Office, and informs ALFI's Regulation Advisory Board ("RegBo") of the project.

Approval process:

- Upon receipt of the application form, the RegBo generally within one week pre-approves the project as such or explains why the project should not be initiated at this stage; having received the pre-approval, the working group concerned can start to draft the document
- Upon receipt of the final draft, the RegBo reviews the content of the document within the deadline proposed by the ALFI Management
- The reviewed draft is sent to ALFI's Board of Directors for approval as soon as possible
- Prior to publication, a consultation by the Luxembourg supervisory authority is recommended. The ALFI Head Office will organise this.

2) Guidelines and Recommendations (Best Practices)

Guidelines and Recommendations (Best Practice) are developed to instigate best practice on multiple topics, to harmonise different practices and interpretations, as well as to clarify operational practice among market participants of the fund industry (e.g. Swing Pricing – report and guidelines; Best practice guidelines for depositary banks).

Application:

- The ALFI coordinator informs the chair of the respective Technical Committee or Fora of the working group's intention to draft a document
- The ALFI coordinator fills in the application form, which is available at the ALFI Head Office, and informs ALFI's RegBo of the project

Approval process:

- Upon receipt of the application form, the RegBo generally within one week pre-approves the project as such or explains why the project should not be initiated at this stage; having received the pre-approval, the working group concerned can start to draft the document
- Upon receipt of the final draft, the RegBo reviews the content of the document within the deadline proposed by the ALFI Management
- The reviewed draft is sent to ALFI's Board of Directors for approval as soon as possible
- Prior to publication, a consultation by the Luxembourg supervisory authority is recommended. The ALFI Head Office will organise this.

3) FAQ or Q&A documents

FAQ and Q&A documents take the form of proposed answers to (frequently asked) questions on specific topics. They should provide guidance on common practices among market participants.

Application:

- The ALFI coordinator informs the chair of the respective Technical Committee or Forum of the working group's intention to draft a document
- The ALFI coordinator fills in the application form which is available at the ALFI Head Office and informs ALFI's RegBo of the project

Approval process:

- Upon receipt of the application form, the RegBo generally within one week pre-approves the project as such or explains why the project should not be initiated at this stage; having received the pre-approval, the working group concerned can start to draft the document
- Upon receipt of the final draft, the RegBo reviews the content of the document within the deadline proposed by the ALFI Management
- The reviewed draft is sent to ALFI's Board of Directors for approval as soon as possible
- Prior to publication, a consultation by the Luxembourg supervisory authority is recommended. The ALFI Head Office will organise this

4) Brochures, Flyers, Surveys, Studies and Reports

Brochures, Flyers, Surveys, Studies and Reports are promotional documents which aim to promote the Luxembourg and European fund and asset management industry, its products and services.

Application:

- The ALFI coordinator informs the chair of the respective Technical Committee or Fora that one or more of his working group(s) intend(s) or was(were) asked to draft a document
- The ALFI coordinator fills in the application form, which is available at the Secretariat ALFI Head Office, and informs the Communication Manager and Chief Marketing Officer of the project. The application will be submitted to ALFI's Executive Committee (ExCo).

Approval process:

- Upon receipt of the application form, the ExCo pre-approves the project as such or explains why the project should not be initiated at this stage; having received the pre-approval, the working group concerned can start to draft the document
- The ALFI coordinator sends the final draft for review to the Communications Manager/ Chief Marketing Officer in charge who will submit it to the ExCo for approval

5) Position Papers

Position Papers are drafted in response to consultations launched by national or international institutions (e.g. European Commission, ESMA, IOSCO, FSB etc.).

Application:

- The coordinator of ALFI's RegBo regularly informs the RegBo of new consultations and which working groups could prepare a draft response; the RegBo can at any stage provide guidance
- Having consulted the chair of the working group in charge, the ALFI coordinator informs the RegBo whether or not the working group intends to prepare a draft response, and submits to the RegBo, if applicable and as soon as possible, a detailed retro planning; the working group can start to work on a draft response; the ALFI coordinator sends the final draft to the RegBo

Approval process:

- Upon receipt of the final draft, the RegBo reviews the content of the document within the deadline proposed by the ALFI Management
- The reviewed draft is sent to ALFI's Board of Directors for approval as soon as possible

Updates of existing documents:

Mere formal updates of existing documents (e.g. statistical updates, updates of references to legal documents, circulars etc., new layout), but also questions and answers added to existing FAQ or Q&A documents and regular updates of approved surveys usually do not require another formal approval. The ALFI coordinator informs the ALFI Management of the working group's intention to work on an update. The final version should be submitted to ALFI's Board of Directors for information.

Updates concerning the content of a document should follow the agreed application and approval process. Exceptions from the pre-approval (not from the review and final approval) can only be granted by ALFI's Management Team.

General guidelines:

Time frame:

Following the finalisation of a document, about eight weeks are needed for proofreading, implementing a professional layout, and printing. For documents which are exclusively published in electronic format, approximately six weeks are needed.

Position papers are prepared within the respective consultation period, allowing for a review by ALFI's governing bodies generally within the last two weeks before the expiry of the deadline. From the outset, the working group should work on the basis of the agreed template for retro plannings.

Language, style and format:

The documents are written in English. An English native speaker should review the content before the final draft is submitted to the competent body or committee for review.

The name of the document should be short, with the possibility to use subtitles giving further explanation. The cover layout is predefined. Therefore, the working group should not present icons or photos.

For promotional publications, the use of jargon and lengthy paragraphs should be avoided.

The final text should be presented in WORD format. Titles, paragraphs, bullet points, tables, text boxes, footnotes, etc. should be clearly identified. Graphs should be imported from Excel and include all original figures.

For position papers, working groups should work on the basis of a common template, ensuring the same layout (in particular ALFI logo, address, title, date, page numbers, introduction and executive summary).

Further remarks on promotional documents:

When drafting the text for a promotional publication, the targeted audience should be considered by the working group in charge:

- Inclusion of an executive summary to catch the reader's attention on the first page.
- What will be promoted? A special/niche product? Or a "me too product", existing in other domiciles but for which Luxembourg has a unique selling proposal?

The working group should also note the following aspects:

- Other ALFI brochures can be referred to (in footnotes); but the working group should refrain from duplicating pages from these documents.
- Lengthy historical background on Luxembourg should be avoided. Luxembourg advantages linked to the product and services which are promoted should be analysed.
- Detail must be presented clearly to satisfy the specialist and the expert, but must also be accessible to readers who have a weaker knowledge of Luxembourg and the fund industry.
- The practical implications of any legislation or legal issues the working group is describing have to be dealt with, e.g. by giving examples.
- The text should be positive. Possible doubts or difficulties should be put in an objective way. "It seems that", "it would appear that" and any other weak or hesitant sentences should be avoided. Doubts should be clearly highlighted, e.g.: "There are doubts about ..."

Article 13 EVENTS

1) Speaker guidelines

Preliminary Remarks:

- Prior to the kick-off meeting of any Event Organization Committee, ALFI's members are given the opportunity to suggest topics and speakers for consideration by the Conference Organization Committee. The committee will consider and review such suggestions as part of the standard speaker selection process.
- The Event Organization Committee would offer Chairpersons' positions in priority to ALFI Board members, but without limiting those positions to the latter.
- ALFI will seek to achieve diversity and inclusion in the composition of the agenda and in the selection of speakers.

Potential speakers must fulfil one or more of the following criteria in order to be proposed for an event:

- Competent in relation to the topic
- Language (according to language of event) and presentation skills
- Past speaking experience and appraisal notes received
- Involvement in ALFI technical committees (preference will be given as practical to active members of the committees)
- Local specialist (testimonial) having either worked in the Grand-Duchy or having a proven track record with the Luxembourg Fund Industry. Companies of those representatives should preferably be members or clients of the Luxembourg Fund Industry.
- Moderators should be selected according to their knowledge of the topic they are moderating and, if they are not based in Luxembourg or have not recently worked in Luxembourg, should be carefully vetted to ensure they will deliver the right message. The same principles will be applied to the selection of speakers doing stand-alone presentations.

2) Data protection

In the context of the organisation of its events, ALFI shall comply with all applicable rules on data protection.

3) Organisation of events outside of the ALFI premises

Any event organized outside of the ALFI premises must be promotionally clear and a rotation between various firms' premises should be ensured.

4) Sponsoring

In accordance with Article 9 of the Articles of association that provides that the General Meeting may exclude an ALFI member for serious grounds, based on a proposal by the Board of Directors, any member that has applied for sponsoring an event may be excluded from the Association in case it doesn't pay the relevant sponsoring bill within a delay of two months after a first reminder sent by registered mail .

Article 14 BUDGET AND CONTRIBUTIONS

1) Budget *(See Article 18 of the articles of association)*

In Q3/Q4 of the financial year, the Management Committee establishes a provisional budget which is submitted to the Treasurer, then to the Executive Committee and to the Board of Directors for approval. The budget is then submitted to the General Meeting for final approval.

2) Annual contributions *(See Article 19 of the articles of association)*

For the purpose of Article 19B of the ALFI articles of association, the term "employees" is to be understood as employees in the broadest sense of the word and includes, among other the staff of the member company employed in Luxembourg and its partners.

Control mechanism:

The Board of Directors may decide to lower the annual contributions up to 20% on a temporary basis in the event financial results are significantly better than expected and if it has determined that the level of reserves is sufficient. In such case the General Meeting is informed of and acknowledges the Board of Directors' decision.

3) Resignation *(see Article 9 of the articles of association)*

Any member may resign as member by notifying the ALFI Head Office in writing. The payment of the member's annual contribution is due on a pro-rata basis until the date of such notification.

A member that has not paid its contribution within a delay of three months after a first reminder sent by registered mail is automatically considered as having resigned.