REMUNERATION POLICY

Introduction

May 2016

This policy is based on the principles listed in circular CSSF 10/437, in ESMA Guidelines on sound remuneration policies under AIFMD, directive 2011/61/UE, Luxembourg law of 12/07/2013 as well as the Luxembourg law of May 10, 2016

Context:

Among the efforts made at international level to stabilize the economic and financial environment, specific attention has been paid to the remuneration policies and practices in the financial sector which have been identified as factors capable of encouraging excessive risk-taking

Scope:

The principles outlined in this policy apply to any type of remuneration paid by Company, to any amount paid directly by the managed AIF or UCITS, including incentive to capital gains, and any transfer of shares or shares of the AIF or UCITS, made to those categories of staff, including senior management, risk takers and people who act as a control, and any employee who, receiving total remuneration that takes them into the same bracket compensation as senior management and risk takers, whose professional activities have a material impact on their risk profile or the risk profile of the AIF or UCITS they manage.

Main requirements, Content:

1. Company description
2. Identified staff
3. Performance assessment
4. Remuneration process
5. Governance
6. Disclosure

1. Company description

a. Principles

NOVACAP Asset Management S.A., the “Company”, is a management company acting under chapter 15 of the law of the 17^{th} of December 2010 and as AIFM according to the 12th of July 2013 law. The company also, provides discretionary management services to individual clients.

b. Delegation

Compliance and risk management functions will never be delegated.

The only delegations are the following:

- Full delegation: transfer agent and central administration
- Partial delegation: investment management, distribution

c. Pension policy

The Company has currently no intention to define a discretionary pension policy.

d. Avoidance of circumvention

The staff is required not to use personal strategies or remuneration and liability related insurances to undermine the risk alignment effects embedded in their remuneration arrangements.

The variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of this policy.

2. Identified staff

a. Job descriptions

The Company enters into the scope of companies with less than 50 people aggregated in four categories:

- Senior managers
- Control functions
- Operational support
- Asset managers

b. Risk takers

The following categories of staff are defined as identified staff:

- Senior management, hereunder “category 1 staff”
- Control functions, hereunder “category 1 staff”
- Asset managers of AIF or UCITS, hereunder “category 2 staff”

c. Structure of the remuneration

- Fix salary: is the main component of the remuneration
- Variable part is calculated according to performance assessment.

3. Performance assessment

a. Category 1 staff and non-risk taker staff

Performance assessment is based on:

- Quantitative criteria: there is no individual quantitative criteria
- Qualitative criteria: goal achievements set for each staff member

More specifically, for Category 1 staff:

Control functions:

- The quality, efficiency and timely delivery of the controls

Staff engaged in control function is compensated according to the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

Senior Management (excluding control functions):

- The global health of the company. Performance is assessed across achievement on all business lines of the company.

b. Category 2 staff

Performance is assessed mainly on quantitative criteria, but must be combined with some qualitative objectives such as ethical behavior, team work, etc.

4. Remuneration process

The Company ensures an appropriate balance between fixed and variable components of total remuneration is maintained.

4.1 Fix remuneration

Staff of category 1 and non-risk taker staff

Fix remuneration is defined in the employment contract/Directorship agreement signed at the beginning of the relationship. It can be reviewed with the evolution of the employee but remains a fix amount per month.

Category 1 staff cannot receive a percentage of the asset management fee of funds under management by the Company.

Staff of category 2

Category 2 staff is receiving a defined percentage of the management fee paid by the sub-fund to the Company. This percentage is predetermined whatever the performance of the fund is. This remuneration is therefore considered as the fix part of the remuneration.

4.2 Variable remuneration

a. Bonus pool calculation

Staff of category 1 and non-risk taker staff

Based on the performance of the Company: a percentage of the yearly result is dedicated to staff of category 1 (the bonus pool).

Individual qualitative performance is assessed to define the individual percentage allocated to a staff member.

Staff of category 2

In principle, does not participate to the Bonus pool of the Company as they are dedicated to specific products (see sections b and c hereafter) and not on the activity of the Company.

b. Performance fee

Staff of category 2 only

Part of the performance fee perceived by the Company as Investment Manager for the funds under management is retroceded to the person in charge of the management of each fund in the

Company. % of retrocession is pre-defined, but can be subject to any adjustment in case of wrong behavior/non-respect of the Company code of Conduct of the employee.

c. Carried interest

Staff of category 2 only

The carried interest in this policy can be assimilated to a performance fee, but paid via shares. Dedicated share classes can be open in a AIF to only such investors designated by the BoD of the AIF as Carry Holders.

This type of shares must be clearly disclosed in the prospectus and enters in the scope of this remuneration policy even if not decided and paid by the AIFM but the AIF, as it can be at the benefit of the AIFM or any person who can have a significant influence on the management of the AIF. It will be considered in the conflict of interest analysis.

d. Installment of the payments

The Company will withhold 40% of the variable part of the remuneration of Identified Staff. The withheld amount will be paid over the following two years.

e. Terms of payment

The postponed variable part will be paid if the financial situation of the Company or of the AIF or UCITS managed by the concerned staff remains similar as at the calculation date.

The deferred portion of the variable remuneration is paid only if it is sustainable according to the financial situation of the Company/AIF/UCITS and if it is justified by the performance of the business unit, the AIF or UCITS and the person concerned. The total variable remuneration will be considerably reduced when the manager or the Company/AIF/UCITS concerned generates poor or negative financial performance on these 2 next years.

A substantial portion (at least 50%) of any variable remuneration should consist of units or shares of the AIF or UCITS concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, unless the net asset of AIFs or UCITS managed by the Company is less than 50% of the total net asset managed by the Company, in which case the minimum of 50% does not apply.

A variable remuneration can only be guaranteed for the first year of employment of an employee in order to facilitate the change of employer and must be considered as exceptional.

f. Proportionality

In accordance with the ESMA guidelines on proportionality, the Company may disapply the following requirements if it meets the different ESMA criteria:

a. Variable remuneration in instruments

b. Deferral requirements
c. Retention period
d. Incorporation of ex-post risk factors.

Compliance with ESMA criteria is reviewed on a yearly basis.

4.3 Conflict of interest

The remuneration scheme of each staff member is defined such as it considers the strategy, values and interests of the Company, of the AIF or UCITS managed by the Company, and of the investors of these AIF or UCITS. Potential conflict of interests will be addressed and properly mitigated.

4.4 Termination of contract

In case of early termination of the employment contract, payments related to this termination must reflect performance achieved over time and are not designed in a way that does reward failure.

4.5 Fraudulent behavior/data

The Board of Directors can require staff members to repay all or part of the bonuses that have been awarded for performance based on data/behavior which were subsequently proven to be fraudulent.

5. Governance

a. Remuneration committee

The Company’s size doesn´t make mandatory the definition of a specific remuneration committee. The Board of Directors (non-executive members only) remains the body responsible for the approval of this policy, its yearly review and its proper implementation. The Board of Directors is supported by the Head of Compliance of the Company.

b. Maintenance

The supervisory function (Compliance) is processing an annual review to assess the compliance and to update the policy. This review is submitted to the Board of Directors (non-executive members only) of the Company for approval.

6. Disclosure

a. Internal

The management informs the relevant personnel of the policies and procedures.

The general principles of the remuneration policy are accessible to staff members to whom they apply.

b. External

A summary of the policy is available on the website of the Company (current document).

A paper version will be provided for free on demand.

Extended information is available in the prospectus of the AIF/UCITS and in their Financial Statements.

The level of the information disclosed will take into account the nature, the size as well as the specific scope of activities of the Company.