

REMUNERATION POLICY

NORDIC FUND SERVICES S.A.

Approved by:

The BoD

Date of Approval:

10th of May 2016

1 Glossary

BoD	-	Board of Directors of the Company
CSSF	-	Commission de Surveillance du Secteur Financier
Company	-	Nordic Fund Services S.A.

2 Legal Framework

- CSSF Circular 10/437, Guidelines concerning the remuneration policies in the financial sector
- ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD.
- Directive 2014/91/EU on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration policies and sanctions (“UCITS V Directive”).

3 Objective

Every financial undertaking must establish, implement and maintain a remuneration policy which is consistent with and promotes sound and effective risk management and which does not induce excessive risk-taking.

The company has established this Policy taking into account that it must

- Promote and be consistent with sound and effective risk management and it shall not encourage risk taking that will be inconsistent with the risk profiles, the prospectus and the articles of association or management regulations of the funds it manages.
- Be in line with the business strategy, objectives, values and long-term interests of the financial undertaking and its investors, such as sustainable growth prospects, and **includes measures to avoid conflicts of interest**.
- Be consistent with the principles relating to the protection of clients and investors in the course of services provided.

Furthermore, this Policy aims at

- Aligning the personal objectives of staff members with the long-term interests of Company and
- Ensuring that the remuneration of staff members is structured with an appropriate balance of fixed remuneration components. There will be no variable remuneration.

4 General principles

4.1 Independence principles

Staff members engaged in control processes are always independent from the business units they oversee, have appropriate authority, and are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

4.2 Retention measure

The Company ensures to be able to withhold bonuses, if any, entirely or partly when performance criteria are not met by the individual concerned, the business unit concerned or the Company seen as a whole.

Moreover the Company makes sure to be able to withhold bonuses in case its situation deteriorates significantly, in particular where it can no longer be presumed that it can or will continue to be able to carry out its business as a going concern.

The BoD of the Company is able to require staff members to repay all or part of the bonuses, if any, that have been awarded for performance based on data which was subsequently proven to be fraudulent.

5 Procedure

Every year, according to General Principles, the BoD revises the structure of the remuneration policy to take care about the new situation of the Company. In the elaboration of its review, the BoD takes into account in particular all elements regarding the strategy of the Company as well as the strategy regarding risk taking, the nature, scale and complexity of the Company.

To perform its role, the BoD may be assisted by a remuneration committee made up of directors other than those who participate in the daily management of the undertaking or who represent the staff.

To design and update the remuneration policy it consults key factors such as Control functions, i.e. risk management, internal control, compliance and similar functions within the Company as well as the human resources department, and all experts with relevant expertise and functional independence from the business units they control and thus be capable of forming an independent judgement on the suitability of the remuneration policy, including the implications for risk and risk management.

Especially it bases its opinion on the annual report made by the Compliance Officer on the implementation of the remuneration policy across the Company. A copy of this report is put at the disposal of the CSSF.

The BoD will ensure that the procedures for determining remuneration within the Company are clear and documented and are internally transparent, especially to staff members.

It fixes the remuneration of the members of the administrative and management bodies of the Company.

Without prejudice to confidentiality and data protection provisions, relevant information on the remuneration policy and any updates in case of policy are disclosed by the Company in a clear and easily understandable way to relevant stakeholders through a periodic disclosure in the annual financial statement.

It especially includes the following information:

- a) Information concerning the decision-making process used for determining the remuneration policy

- b) Information on the link between pay and performance
- c) Information on the criteria used for performance measurement and risk adjustment
- e) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits, if any.

6 Control points reminder

Name of the Control	Team in Charge	Periodicity
Review of the remuneration policy	The BoD	Yearly
Compliance report on the implementation of the remuneration policy	The BoD	Yearly
Disclosure of relevant information on the remuneration policy to stakeholders (Annual Financial Statement)	The BoD (reviewed by the external Auditor)	Yearly