

Dynasty AM S.A.
Société Anonyme
16, Avenue Marie-Therese
L-2132 Luxembourg
R.C.S. Luxembourg B 184181
(the "**Company**")

Remuneration Policy

Person in charge of this policy: The Chief Compliance Officer

1. Preamble

- 1.1 The Company is a Luxembourg public limited liability company authorised as both (i) alternative investment fund manager authorised pursuant to the provisions of the Law of 12 July 2013 (the "**AIFM Law**") and (ii) Chapter 15 of the Law of 17 December 2010, as amended, relating to undertakings for collective investment (the "**UCI Law**"). It is thus authorised to act as both alternative investment funds manager ("**AIFM**") and Management Company under chapter 15 of the UCI Law ("**Chapter 15 Management Company**").
- 1.2 This Policy purports to fulfil the ESMA guidelines on sound remuneration policies under the UCITS Directive and AIFMD dated 31 March 2016 (ESMA/2016/411; ESMA/2016/579; ESMA/2016/575) as well as the guidelines on the remuneration policies in the financial sector as issued by the Commission de Surveillance du Secteur Financier ("**CSSF**") in its Circular 10/437. It has been prepared with the support of the senior management and control functions of the Company and it has been approved by the board of directors of the Company (the "**Board**") on 13rd December 2018.

2. Responsibility and Review of the Policy

- 2.1 The remuneration strategy for officers and employees of the Company is subject to the oversight of the Board and the general meeting of the Company's shareholders, as the case may be. In this context, the Board shall notably be responsible for:
 - (a) overseeing effective implementation of this Policy so that the Company's remuneration practices and arrangements align with appropriate levels of risk-taking and the Company's business strategies, objectives, values and long-term interests, and the avoidance of conflicts of interest;
 - (b) reviewing this Policy so that it is consistent with and promotes sound and effective risk management and does not encourage unnecessary or excessive risk-taking that exceeds the level of tolerated risk of the Company's business;
 - (c) reviewing and monitoring the Company's strategy as it relates to remuneration design for employees who are identified as material risk takers including a review of the structure of variable remuneration, so that it aligns with appropriate risk-taking; and
 - (d) supervising the application of this Policy, including reviewing regulatory reports and required public disclosures on remuneration, changes to the methodology used by the Company to identify the Identified Staff, and internal reports on the effectiveness of the variable remuneration arrangements.

In exercising its responsibilities, the Board receives input and assistance from the control function staff (i.e., risk manager, the compliance officer, and the internal auditor) where appropriate.

- 2.2 This Policy will be reviewed at least annually by the Board and the compliance officer of the Company in cooperation with the senior management of the Company to assess whether it:
- (a) operates as intended and it is still adequate in light of the nature, size and the specific scope of activities of the Management Company; and
 - (b) remains compliant with the applicable regulations, principles and standards.

In addition, this Policy will be subject to a yearly independent review by the internal auditor. Each year, the risk manager will further assess how the variable remuneration structure affects the risk profile of the Company.

The compliance officer, senior management and risk manager shall provide appropriate reports, at least on an annual basis, on the outcomes of any such reviews to the Board. A copy of any such reports will be made available to CSSF, upon request.

The internal auditor shall review in a timely manner the application of this present policy.

3. Scope of the Policy

3.1 This remuneration policy (“the Policy”) purports to fulfil the requirements of

- (a) Article 12 and Annex II of the AIFM Law,
- (b) Commission Delegated Regulation No 231/2013 relating to exemptions, general operating conditions, depositaries, leverage and supervision (the “Delegated Regulation”),
- (c) the ESMA guidelines on sound remuneration policies under the AIFM Directive (the “ESMA Guidelines”),
- (d) the Guidelines on Remuneration Policies and Practices issued by the “CEBS” and
- (e) the Remuneration under CRDIV and the CRR issued by the AIMA, the Law of 12th July 2013 the “AIFM Law”) and the Law of 10th of May 2016.

3.2 It is prepared in accordance with the following regulatory framework:

- CSSF Circular 10/437 of 1 February 2010 entitled “Guidelines concerning remuneration policies in the financial sector”
- Circular CSSF 11/505, which further specifies how the “principle of proportionality” applies when establishing and implementing remuneration policies that are consistent with sound and effective risk management
- Circular CSSF 14/585 transposing the ESMA guidelines on remuneration policies and practices into annex V of Circular CSSF 07/307 (MiFID) and which deals with conflicts of interest and inducements concerning persons who can have a significant influence on the service provided or corporate behavior of the institution
- CSSF Circular 18/698 Authorisation and organisation of investment fund managers incorporated under Luxembourg law

3.3 Pursuant to Article 12 of the AIFM Law, AIFMs must have remuneration policies and practices for those categories of staff, including senior management (i.e. conducting officers), risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the AIFM or of the alternative investment funds (the “AIFs”) managed by the

AIFM, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, management regulations or instruments of incorporation of the AIFs managed by the AIFM.

- 3.4 This Policy applies to all employees and sets the specific provisions applicable to the “**Identified Staff**” or “**MRT**” as defined under point 3.8 and Appendix 3. It is also supplemented by Appendix 1 providing for the review of the applicability of proportionality principles.
- 3.5 For the purposes of this Policy, “**remuneration**” consists of all forms of payments or benefits made directly by, or indirectly but on behalf of, the Company in exchange for professional services rendered by the Company’s staff. Remuneration can be divided into:
- (a) fixed remuneration (payments or benefits without consideration of any performance criteria); and
 - (b) variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).
- 3.6 Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, equity, or equity-linked instruments).
- Ancillary payments or benefits that are part of a general, non-discretionary, institution-wide policy and pose no incentive effects in terms of risk assumption are not covered by this Policy.
- 3.7 This Policy applies to the following persons as well as to any other person that would be considered as a Material Risk Taker (“**MRT**”) by the compliance officer after the approval of this Policy (hereinafter the “**Identified Staff**”)/
- 3.8 Both Annex V and Annex XII of the CRD IV regulation contain a reference to “categories of staff including senior management, risk takers, staff engaged in 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 their risk profile ” (hereafter the “**Identified Staff**”).
- 3.9 Self-assessment process to determine the Identified Staff:
- 3.10 On a yearly basis, the Senior Management will use precise indicators in order to determine whether any of the staff member is to be considered as “Material Risk Taker” (“**MRT**”) as referred by Law and Regulations. Such process will be conducted yearly, before any decision is made to distribute variable remuneration to any employee. The assessment will be performed in accordance with information provided in relation to the previous financial period.
- 3.11 Qualitative aspects defining a MRT:

The Senior Management has decided that, to be considered as MRT, an employee must fulfil two of the three qualitative criteria set hereafter:

- (a) Exercising a key control function
- (b) Exercising a key executive function
- (c) Being empowered to engage the Company vis-a-vis- third parties

- 3.12 Quantitative aspects defining a MRT:

- 3.13 In addition to this qualitative review the Senior Management will base their analysis on quantitative measurements. The Senior Management considers that any employee receiving a total remuneration

above EUR 400.000 should be considered as MRT, regardless of the results of the review of the qualitative aspects referred under point (a) above.

3.14 A table summarizing the result of the yearly assessment performed by Senior Management on the qualification of employees as “Identified Staff” or “MRT” is provided under Appendix 3. Such review shall be performed on an annual basis by the Senior Management.

4. The list of MRT for the Financial year 2019 is considered as follows:

Function	Name
Board of Directors	Emmanuel BEGAT
	Philippe HALB
	Jean Philippe CERUTTI
	Laurent PLUCHARD
Conducting Officers	Eric BOZZETTO
	Philippe HALB
	Laurent PLUCHARD

4.1 Due to the size, the complexity and the scope of the Company’s activities, it has been decided to entrust the Board, and more specifically the independent board member(s), the Chief Compliance Officer, and, to a certain extent, the internal auditor with the responsibility to implement and supervise this Policy without creating any remuneration committee. This is rendered possible by the fact that the Company only directly manages 3 funds (1 UCITS and 1 AIF and 1 Cayman Islands fund not qualifying as an AIF) and manages €1.600 million of assets as at 30 September 2018. These funds, having between 1 and 30 investors each, are not widely distributed in terms of investors and countries (e.g. as of 30 September 2018, they are only distributed in the Grand Duchy of Luxembourg, France, Germany, Switzerland, Italy, and the Netherlands – Dynasty Global Convertibles B). Moreover, all these funds pursue traditional investment policies and strategies, do not use derivatives but for hedging purposes and do not use leverage or complex instruments.

5. Corporate practices and requirements applicable to all employees

5.1 Remuneration Philosophy

The foundation of the Company’s approach to remuneration is based on four remuneration principles:

- (a) Pay for performance: remuneration should be linked to the Company's line of business and individual performance.
- (b) Promote a culture of appropriate risk management: remuneration should promote a culture of risk management consistent with the Company’s vision and value and should not encourage unnecessary or excessive risk-taking.
- (c) Attract and retain talent: people are the Company’s competitive advantage, so remuneration should help attract, motivate and retain exceptional people at the Company.
- (d) Align employee interests with long-term stockholder interests: for those in positions to influence stockholder results, remuneration should have an equity-based component so that the Company’s employees’ interests are aligned with stockholders’ long-term interests and so that behaviour consistent with long-term stockholder value creation is encouraged.

5.2 The Company employs an enterprise-wide approach to ensure that this Policy promotes sound and effective risk management which does not encourage risk taking that could exceed the Company’s levels of tolerated risk.

5.3 Remuneration Structure

4.3.1 Remuneration of the Board

The remuneration of the Board members will be fixed by the shareholders of the Company, which may either fix the remuneration of the Board members one by one or allocate a global envelope to the Board. If the shareholders decide to allocate a global envelope to the Board, the envelope will be allocated between all Board members on the basis of the time dedicated to their functions and of their respective responsibilities and expertise. The remuneration of the Board will not be linked to the short-term results of the Company.

The remuneration of the Board is currently exclusively made of a fixed part, at 10.000 euros per annum. This remuneration is paid to the independent member of the Board as a fee and to non-independent members of the Board as part of their fixed salaries.

4.3.2. Remuneration of the Senior Management and internal control functions

The remuneration of the Senior Management and of the internal control functions will be determined by the Board.

The senior management and the staff engaged in the Company's control functions (i.e., risk management, compliance and internal audit) are independent from the business units 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.

In addition to a fixed remuneration, the Identified Staff belonging to these categories may be entitled to receive a variable remuneration after an internal assessment. The maximum variable remuneration will vary depending on the functions of the relevant Identified Staff.

Variable remuneration of the Senior Management shall not exceed 400% of the fixed gross remuneration. If the variable remuneration were to exceed 250% of the fixed gross remuneration, this variable component of remuneration should be preapproved by the general meeting of the shareholders of the Company.

Remuneration of the Risk Officers and the Compliance Officers is independent from the performance of the Company and shall not exceed 100% of the fixed gross remuneration.

Remuneration of the Internal Auditor is exclusively based on a fixed amount set by contract.

4.3.3. Remuneration of the rest of the staff

The remuneration of the rest of the staff (i.e. person responsible for portfolio management) will be determined by the senior management and is composed of a fixed and as the case may be a variable part. The variable remuneration shall not exceed 400% of the fixed gross remuneration. If the variable remuneration were to exceed 250% of the fixed gross remuneration, this variable component of remuneration should be preapproved by the general meeting of the shareholders of the Company.

5.4 Remuneration Assessment

4.4.1 Remuneration Assessment criteria. To determine individual bonuses of the Identified Staff, the following criteria are taken into account:

- a) seniority and professional experience;
- b) commitment and individual effort;
- c) reputational criteria;
- d) long term profitability; and
- e) achievement of the objectives.

a) Seniority and Professional experience

To assess the experience criteria, the assessing person will review:

- i) theoretical experience attained through education and training;
- ii) practical experience gained in previous occupations;
- iii) specific skills and technical knowledge (e.g. banking, fund management, economic, finance, marketing, IT, accounting, regulatory, investment firm business strategy, risk management, compliance, audit, legal);
- iv) career criteria (e.g. length of the career, numbers of previous employers, nature/type/complexity of the previous occupation, responsibilities, number of subordinates).

b) Commitment and individual efforts

To assess the commitment and individual efforts, the assessing person will review:

- i) The availability of the relevant staff member;
- ii) His/her team spirit;
- iii) Achievement of objectives assigned by the senior management;
- iv) Effectiveness in following internal procedures;
- v) Ability to work in a changing environment and address new challenges.

c) Reputational criteria

The reputation criteria can notably be assessed based on:

- i) criminal records, previous employers' reputation, potential regulatory sanctions, analysis of the administrative sanctions, current and past investigation, non-compliance breach declared by regulatory or professional bodies as well as potential refusal of authorisation by a supervisory authority or professional;
- ii) any evidence that the employee has not been transparent, open, and cooperative in his dealings with supervisory or regulatory authorities or with his hierarchy;
- iii) the reasons for any dismissal from employment or any position of trust, fiduciary relationship, or similar situation, or having been asked to resign from employment in such a position.

The following situations regarding past and present business performance and financial soundness of a member with regard to their potential impact on the member's reputation should be considered:

- i) inclusion on the list of unreliable debtors or any negative records on this kind of list conducted by a recognised credit bureau if available;
- ii) declaration of personal bankruptcy; and
- iii) civil lawsuits, administrative or criminal proceedings, large investments or exposures and loans taken out, insofar as they can have a significant impact on the financial soundness of the member.

d) Long term profitability

To assess the profitability, the assessing person will analyse:

- i) the influence of the relevant staff member on the profits of the Company;
- ii) the relevant staff member's profitability.

e) Achievement of the objectives

The assessing persons hold, at least on an annual basis, a meeting to assess the performance of each employee during the year and to define the parameters of evaluation for the following year. At this meeting, they also fix quantitative and qualitative objectives to the staff. Depending on the outcome of the assessment and on the performance of the Company, they will determine the variable component of the remuneration.

Quantitative objectives defined as:

- i) earnings to the Company;
- ii) efficiency/cost saving;
- iii) long term profitability;
- iv) adequate performance.

Qualitative objectives defined as:

- i) compliance;
- ii) value and ethics follow up;
- iii) team work/leadership;
- iv) customer satisfaction;
- v) learning attitude;
- vi) risk governance.

The objectives are weighted as follows:

- i) Quantitative: 70%;
- ii) Qualitative: 30%.

Due to the size, scope and complexity of the Company's activities, the Board has decided to not defer payment of the variable remuneration component. The opportunity to defer payments will be reviewed on an annual basis by the compliance officer, who will report to the Board.

4.4.2 Employee performance and remuneration are reviewed annually. Individual merit increases to fixed remuneration are determined by an employee's performance and the employee's position within the identified range for the employee's job. Annual bonuses are generally paid at the end of the performance year.

4.4.3 In respect of all employees of the Company, the Company's remuneration arrangements are based on the following principles:

- (a) Remuneration arrangements must be based on multiple drivers of long-term business performance, including financial and non-financial risks.
- (b) Remuneration arrangements must be consistent with, and promote, the long-term safety and soundness of the Company, and should produce outcomes that are symmetric with risk outcomes. All variable remuneration arrangements must undergo a documented risk assessment review identifying inherent risks associated with the activities subject to the arrangement and the balancing features within the arrangement specific to the risks taken.
- (c) Remuneration arrangements must be aligned with the Company's risk appetite and business strategy, and the avoidance of conflicts of interest. Employees of the Company are required to avoid conflicts of interest or the appearance of a conflict of interest in their personal and business activities. In order to avoid potential conflicts of interest with respect to the governance and administration of remuneration arrangements, all revenue generation remuneration arrangements must be administered by (i.e., accountable to) a member of management who does not participate in the revenue generation plan.
- (a) Remuneration arrangements must be aligned to the risk time horizon of the activity for which the remuneration is being paid.

- (b) The risk manager and compliance officer or the Conducting Officers in charge of these functions must play an integral role in the design and monitoring of variable remuneration arrangements. The external Board member will monitor the variable remuneration arrangements of the risk and compliance officers.
- (c) The Board, the Senior Management and the compliance officer, have oversight responsibility for the variable remuneration strategy for the enterprise, and may take into account such information as necessary to perform those oversight responsibilities.
- (d) The Company's remuneration approach, principles and objectives take into account the long-term interests of shareholders, employees, investors and other stakeholders.
- (h) Where 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 business unit concerned and of the overall results of the Company and when assessing individual performance, both financial and non-financial criteria are taken into account.
- (i) Employees should not be dependent on their bonus to live, as bonuses are not guaranteed. For this reason, the fixed component of the remuneration constitutes a high enough amount for the employee to maintain a normal standard of living in Luxembourg. By derogation to the foregoing, the variable remuneration can exceptionally be guaranteed when hiring new staff and where the Company has a sound and strong capital base and is limited to the first year of employment.
- (j) Fixed and variable components of total remuneration are periodically reviewed to ensure appropriate balance and the fixed component represents an appropriate 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.
- (k) The Company is a small and entrepreneurial management company incorporated on 6 February 2014. Due to the size, scope and complexity of the Company and to ensure the Company's and the funds under the management's sustainability, the fixed component of remuneration (generating more costs) should not be too high. It is therefore possible that the variable component of remuneration be more important than the fixed component of remuneration, depending on the performance of the Company, while remaining suited to the Company's configuration and the principles provided for in this Policy and avoiding to take risks.
- (l) Payments related to the early termination of a contract must reflect performance achieved over time and be designed in a way that does not reward failure.
- (m) Remuneration packages related to compensation or buyout from contracts in previous employment must align with the long-term interests of the Company, including retention, deferment, performance and clawback arrangements.
- (n) The assessment of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks so that variable remuneration arrangements are appropriately risk-balanced and also takes into account the quality of financial results as appropriate based on the particular level and role of the individual within the firm.
- (o) The allocation of the variable remuneration components within the Company also takes into account all types of current and future risks and are subject to appropriate malus or clawback arrangements.
- (p) The Company does not provide employees with supplementary pension policy.
- (q) The company provides a supplementary health insurance for its employees (Foyer).

- (r) Other Variable remuneration is not paid by the Company through vehicles or methods that facilitate non-compliance with applicable remuneration requirements.

5. Disclosure

- 5.1 This Policy (as well as any update thereto) will be accessible to all Identified Staff, 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 of course remain confidential and will thus not be internally disclosed. This Policy or relevant extract is available in accordance with the relevant laws and regulations to regulators, staff and clients.

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

- (a) information concerning the decision-making process used for determining the remuneration policy, including if applicable, information about the composition and the mandate of a remuneration committee, the name of the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;
- (b) information on the link between pay and performance;
- (c) information on the criteria used for performance measurement and risk adjustment;
- (d) information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;
- (e) the main parameters and rationale for any annual bonus scheme and any other non-cash benefits.

APPENDIX 1



27. ESMA Guideline
Remuneration policy

Self Assessment performed with respect to the review of application of the proportionality principle as per ESMA guidelines

FINANCIAL YEAR 2019

In the frame of the remuneration policy applicable to its regulatory status, the AIFM is put under the obligation to perform an assessment of the possible application of proportionality principle.

The AIFM shall document that the remuneration Policy can be applied in full compliance with the applicable regulations while applying the exclusion of certain aspects further to the application of the principle of proportionality.

To that end, as per applicable regulation, the AIFM is therefore put under the obligation to assess on a yearly basis: **the nature, size and complexity of its business.**

The Senior Management shall ensure the remuneration policy remains compliant with such exclusions, considering its size, internal organization and the nature, scope and complexity of its activities. Such review shall in particular be conducted according to the proportionality principles set by CSSF Circular 11/505, as amended from time to time.

For each financial year, the Senior Management is put under the obligation to consider whether the review referred under point 5 of the Remuneration Policy confirms the application of the proportionality principles, considering the following information:

Nature of the business: The AIFM receives remuneration from investment funds (USITS and Alternative Investment Funds (together the “AIFs”) receiving its management services. Such remuneration is fixed by service contract, disclosed in the Prospectus/Offering Memorandum, and calculated independently by the Central Administration of the relevant AIF. All AIFs managed by the AIFM pursue a similar medium to long-term buy and hold investment strategy within the same asset class. The AIFM does not use complex derivative instruments, nor enters into complex transactions such as SFTRs. The AIFM is not authorized to provide the investment service of dealing on own account or underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis. The services provided by the AIFM leave no room for an employee to act on behalf of an investor.

Size of the business: the AIFM is solely providing services in relation to the management of one AIF. The AIF currently under management has a cumulative size below EUR 2 Billion as of December 31, 2018. The AIFM employs less than 50 employees.

Complexity of the business: The AIFM is not part of a group of companies rendering crossed services. It provides its services on a “stand alone “basis, with the assistance of delegates remunerated in accordance with service contract. The AIFs managed are not distributed in a wide range of jurisdictions. The remuneration principles are fairly standards and in line with market practice, to the best of the knowledge of the Senior Management. The liquidity profile of the funds managed by the Management Company provides that assets that cannot be readily converted to cash; resulting in a stable environment enabling HR planning. The current turnover of employees is very low.

Conclusion:

The Senior Management considers that, in the frame of the application of the Remuneration Policy, the current nature, size and level of complexity of the AIFM advocates for the application of proportionality principle for the financial year under review.

APPENDIX 2

Function as of 1st of January 2019*

Function	Name
Board of Directors	Emmanuel BEGAT
	Philippe HALB
	Jean Philippe CERUTTI
	Laurent PLUCHARD
Conducting Officers	Eric BOZZETTO
	Philippe HALB
	Laurent PLUCHARD
Portfolio Manager	Philippe HALB
	Eric BOZZETTO
	Simon ROGER
	Hervé BURGER
Middle Officer	Camille BASLY Camille BASLY
Risk Officer	Xavier MORIN XAVIER
Compliance Officer	Andreina FIORITO
	Didier MORIN
Sales	Henri RAYOT
	Laurent PLUCHARD

*After approval of the regulator

APPENDIX 3

Self Assessment performed with respect to identification of Material Risk Takers – Identified Staff

Please request from the CO should this information be required.