

NEVASTAR FINANCE LTD.

# REMUNERATION POLICY SUMMARY

2024 Summary on Year 2023 / 01.01.2023 – 31.12.2023

# Introduction

In accordance with the FCA rules and guidance, Nevastar Finance Ltd. (“the Firm”) applies the relevant remuneration requirements. As the Firm is classified under MIFIDPRU as a Small and Non-Interconnected MIFIDPRU Investment Firm (“SNI MIFIDPRU Investment Firm”), the Firm is subject to the basic requirements of the MIFIDPRU Remuneration Code. In observation of MIFIDPRU obligations, we have worked extensively to increase awareness and remove conscious or unconscious bias within the workplace. We ensure that all remuneration decisions are gender neutral and do not discriminate based on protected characteristics on accordance with the Equality Act 2010. We monitor this Policy, together with the relevant procedures and processes, on an ongoing basis to ensure that our practices are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of our Firm. We maintain a MIFIDPRU Remuneration Policy and this document represents a summary of that.

The purpose of this summary is to disclose, in accordance with the regulatory requirements under MIFIDPRU 8.6.2R: our approach to remuneration for all of our employees; the objectives of our financial incentives; the decision-making procedures and governance surrounding the development of the remuneration policies and practices that Nevastar Finance is required to adopt in accordance with MIFIDPRU Remuneration Code.

## Governance

As permitted by the remuneration regulations, the Governing Body function, the Board of Directors of Nevastar Finance, is responsible for the Firm’s remuneration policy. Given the size, internal organisation and the nature, scope and

complexity of the activities of our Firm, a separate supervisory function or Remuneration Committee has not been allocated.

The Board is responsible for reviewing and approving remuneration at least on annual basis, and to ensure remuneration policies across the Firm are consistent with the promotion of effective risk management. The Board is responsible for reviewing and approving salary amendments and the Firm’s bonus pool arising from the annual compensation review, with reports made to the Board as required.

The Board meets regularly and is composed of:

- Stanislas Rotman, the CEO of the Firm;
- Olivier Rouget, Director at the Firm.

## Rationale for remuneration

The balance of fixed and variable remuneration is linked to the profitability of the Firm and the performance of the individual. The fixed remuneration is the main form of payment and variable remuneration is available only when positive performance leads to an award at the end of the financial year.

## Approach to remuneration for employees

The Firm’s remuneration approach is designed to support individual and corporate performance, encourage the sustainable long-term financial health of the business and promote sound risk management for the success of the Firm and to the benefit of its customers, counterparties and the wider market. The aim is to ensure that the Firm’s remuneration policy and practices take into account the public interest and the long-

term interests of partners, investors, and other stakeholders in the Firm. Our remuneration approach is in line with a risk-adverse culture and promotes long-term value creation through transparent alignment with the agreed corporate strategy. The Board believes that the Firm's remuneration structure is appropriate for

the business and the industry it operates in and is efficient and cost-effective in delivering its long-term strategy. Undeserved and excessive remuneration sends a negative message to all stakeholders, including our Firm's workforce, and causes long term damage to the Firm and its reputation.

## Financial incentives objectives

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The objectives of our Firm's remuneration practices are as follows:

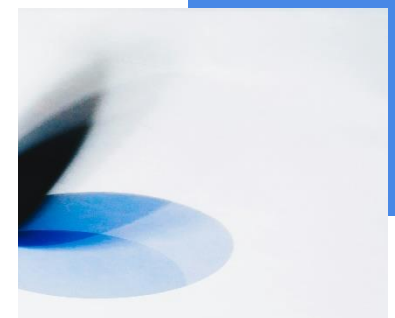
- we undertake to reward all employees fairly, regardless of job function, race, religion, color, national origin, sex, sexual orientation, marital status, pregnancy, disability or age;
- our policy is to operate competitive remuneration conditions to attract, retain and motivate the appropriate workforce for us;
- we commit to ensure that our remuneration practices encourage high standards of personal and professional conduct, support sound risk management and do not encourage risk taking that exceeds the level of tolerated risk of the Firm, and are aligned with the Firm's regulatory requirements;
- rewards for all staff are aligned to financial and non-financial performance criteria and risk profile, and in all cases will be in line with the business strategy, objectives, values, culture and long-term interests of the Firm;
- our Firm will not allow any unfair or unjust practices that impact on pay;
- we undertake to not award remuneration using vehicles or methods the aim of which is to attempt to avoid application of the relevant FCA's Remuneration Code.

The Firm uses the following financial incentives:

- salary increase;
- bonuses;
- professional development opportunities.

Our financial incentives are designed to:

- recognize individual performance in a way that is proportionate and fair;
- disincentive actions driven exclusively by profit-making opportunities, in order to ensure that the broader framework of rules and principles applying to our practice is always taken duly into account, while acting on behalf of our Firm.



# Components of Remuneration

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*Our Firm makes a clear distinction between the fixed and variable remuneration.*

**Fixed remuneration** is set in line with market competitiveness at a level to attract and retain skilled staff, which typically include fixed salary and other benefits that may apply to the specific job function. Thus, it primarily reflects a staff member's professional experience and organizational responsibility as set out in the staff member's job description and terms of employment; and is permanent, pre-determined, nondiscretionary, non-revocable and not dependent on performance.

**Variable remuneration** consists in the discretionary provision of a salary increase and/or a bonus, it is based on Firm's performance and reflects performance in excess of the staff member's job description and terms of employment.

Our Firm will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Firm considers the following factors:

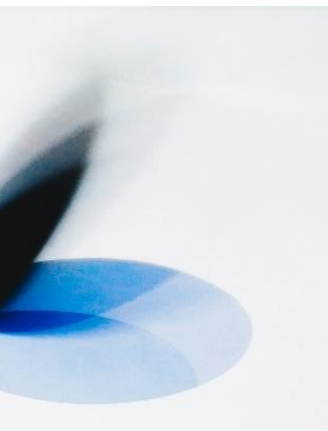
- our Firm's business activities and associated prudential and conduct risks;
- the role of the individual in our Firm;

- no individual must be dependent on variable remuneration to an extent likely to encourage them to take risks outside the risk appetite of our Firm;
- it may be appropriate for an individual to receive only fixed remuneration, but not only variable remuneration; and

variable remuneration must not affect the Firm's ability to ensure a sound capital base. When assessing individual performance to determine the amount of variable remuneration to be paid to an individual, our Firm takes into account financial as well as non-financial criteria.

Non-financial criteria within our firm are:

- a significant part of performance assessment process;
- override financial criteria, where appropriate;
- include metrics on conduct, being a substantial portion of the non-financial criteria; and
- include how far the individual adheres to effective risk management;
- reflect individual's capacity to comply with the various duty and deadlines.
- framed in such terms to encourage behavior focused on long-term strategic performance and to ensure compliance with regulatory and legal frameworks.



# Financial and Non-Financial Performance Criteria

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The Firm must consider both financial and non-financial criteria when assessing the individual performance of its staff. This aims not only to discourage inappropriate behaviors but also to incentivize and reward behavior that promotes positive non-financial outcomes for the Firm.

### Our Financial Performance Criteria

Remuneration policies engages the partial deferral of bonuses (60%, 20%, 20%), a condition which applies to all employees except relationship managers. This practice favors risk management as it encourages employees to establish long-term relationships with the Firm and disincentivizes short-term strategies. Relationship Managers instead are provided with a bonus which is proportional to the level of revenues generated during the year. This incentivized them to attract new clients, which is in line with the interests of the Firm, and, at all times, compliance with internal client onboarding and ongoing risk management processes must be met in full i.e. the non-financial performance criteria below.

### Our Non-Financial Performance Criteria

- measures relating to building and maintaining positive customer relationships and outcomes, such as positive client feedback and client representatives’ endorsement;
- performance in line with Firm values, for example by displaying leadership, teamwork and creativity;
- adherence to the Firm’s risk management and compliance policies;
- whenever possible, achieving targets relating to environmental, social and governance factors; and
- diversity and inclusion.

## Total amount of remuneration awarded

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Remuneration type	£
Fixed remuneration	1,833,862
Variable remuneration	311,760
<b>Total amount</b>	<b>2,145,622</b>