

Corporate Governance Charter

Quilvest

Policies and Procedures

2016



Corporate Governance Charter	
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I. Introduction

Quilvest S.A. (the “Company” or the “parent company”) and its subsidiaries (collectively, the “Group” or “Quilvest”) adopted its first Corporate Governance Charter on June 4th

2007 as a complement to the Company's legal and regulatory obligations, its articles of associations and its internal regulations. The present charter is the update, adopted on...

Corporate Governance encompasses all of the principles aimed at safeguarding sustainable company interests. While maintaining decision-making capability and efficiency at the highest level of a company, these principles are intended to guarantee transparency and a healthy balance of management and control. The Corporate Governance Charter aims at making the Group principles and processes to ensure sound corporate governance as clear as possible.

The Board of Directors of the Group (the "Board of Directors" or the "Board") is responsible of the drafting, the adoption, the respect and the updating of the Corporate Governance Charter. The drafting and the updating of the Corporate Governance Charter may be delegated to the Group Chief Compliance Officer.

II. The Board of Directors

The Board of Directors is involved in all strategic decisions and regulatory duties.

II.1 Composition and nomination

The Board of Directors consists of a minimum of three and a maximum of fifteen members appointed by the General Meeting. The terms of their office shall not exceed six years; they may be reappointed and dismissed at any time by the General Meeting. Their remuneration and their term of office are determined by the General Meeting. No age limit is fixed.

The Board of Directors shall elect a chairman from among its members and, if considered appropriate, one or several vice-chairmen and shall determine the period of their office, not exceeding their appointment as director. The chairman has a casting vote in case of a tie and presides at all meetings of the Board of Directors and general meetings of shareholders. The functions of Chairman of the Board and Chief Executive Officer are separated.

In case of a vacancy in the position as director, the remaining directors shall have the right to temporarily fill such vacancy by a member designated by a majority vote; in such case the following general meeting shall confirm such election.

All relevant decisions are prepared directly by the Board of Directors and therefore no Nomination Committee has been created. Once a year, the Board of Directors will assess the need to create a Nomination Committee. The decision taken by the Board of Directors at such occasion will be documented in the minutes of the meeting.

At the discretion of the Board of Directors, members of the executive management can be invited to attend the meetings.

II.2 Independence of the Board members

The Board shall be composed of at least two independent directors and of a maximum of two executive directors.

Independence is defined by:

- Not having been an employee over the last 3 years;
- not having had a material business relationship over the last 3 years;
- not controlling the equity of the company directly or indirectly.

In any case experience and knowledge from different fields, capability to contribute positively to open discussions and strict proven ethical attitude are the prime criteria to become director of the company. In that sense, being a shareholder or not of the company is not of primary importance. Directors' CVs as well as their positions in other listed and non-listed companies are communicated in the Corporate Governance Charter available on the website.

In order to comply with the principle of governance as defined by the Luxembourg Stock Exchange, the directors shall limit to nine the number of external and operational directors' mandates. The list of the operational mandates is to be provided by the directors on a yearly basis.

II.3 Powers and Duties of the Board

The Board of Directors is invested with the broadest powers to act on behalf of the Company and accomplish or authorize all acts and transactions of management and disposal which are within its corporate purpose and which are not specifically reserved to the General Meeting.

The Company is bound in all cases by the individual signature of the chairman or of any vice-chairman of the Board of Directors, as well as the joint signature of two directors.

The Board of Directors may delegate to one or several directors the powers necessary to carry out its decisions and day- to-day management, and to one or several persons, directors or not, powers deemed to be appropriate for the general technical, administrative and commercial management of the Company, and constitute any committee and determine their functions and authority.

The Board of Directors takes responsibility towards shareholders and third parties for the management of the Group and its entities.

In particular, the Board of Directors approves:

- All strategic acquisitions and alliances;
- Changes of control of key operating subsidiaries;
- Group Credit facilities in excess of 25 million Euros;
- Group's medium term business plan;
- The annual consolidated accounts of the company and the allocation of the result;
- The management report to be submitted to the meeting of shareholders.

One non-executive member of the Board of Directors is in charge of monitoring the control of the governance and is a privileged interlocutor, through the Audit Committee, of the Group control functions, namely internal audit, compliance and risk management, as well as external auditors.

II.4 Meetings

The Board of Directors shall meet at least four times a year with two occurrences mainly on the financials of the company and the two others on the strategy of the company. These meetings are called upon notice by the Chairman or by two directors.

The notices shall be given in writing or by mail at least 7 days in advance. They contain the agenda.

II.5 Presence and representation

The Board of Directors may deliberate or act validly only if the majority of the directors in office are present in person or by proxy. If the Chairman so decides, any director may participate in any meeting of the Board by conference call. In such case, the participation in a meeting by these means is equivalent to a participation in person to the meeting.

II.6 Voting

All decisions shall be taken by a majority of votes of the voting directors present or represented; in case of a tie, the Chairman has a casting vote.

Any Director who is prevented or absent may give a proxy to one of its colleagues on the Board to represent him at the meeting of the Board and to vote in his place and stead. Such proxy is attached to the minutes of the meeting. The proxy shall only be valid for one meeting of the Board of Directors.

Any director who may, with respect to a transaction submitted to the approval of the Board of Directors, have an interest adverse to that of the Company, shall so notify the Board of Directors and cause such notification to be reflected in the minutes of that meeting. He shall not deliberate on any such transaction. Specially reported at the next succeeding general meeting, prior to any other agenda, shall be those transactions in which a director may have had an interest adverse to that of the Company. Written resolutions passed unanimously by all directors have the same validity as resolutions adopted in a meeting of the BD.

II.7 The Chairman of the Board of Directors and the Vice-Chairman

The Chairman presides over the meeting of the Board of Directors and the General meeting of shareholders.

Towards third parties, the Chairman acts as the spokesman of the Board of Directors. He maintains the contact between the company and its shareholders.

The Chairman acts as an interface between the Board, the Board Committees and the Executive Committee with whom he entertains for this purpose a permanent contact for information and consultation.

The Board may elect one or more Vice-Chairmen, chosen among the Board members. If the Chairman of the Board is unavailable for a meeting, the designed Vice-Chairman shall chair that meeting. In case of more than one Vice-Chairman present at that meeting, the Board shall design the one who shall preside over.

II.8 The Secretary to the Board of Directors

The Board of Directors is assisted by a Secretary designated by the Board upon proposal by the President. The Secretary shall attend the meetings of the Board and of the Committees and shall draw up the minutes of each meeting. Minutes shall be signed by the Chairman of the meeting and the secretary, or by the majority of persons present at the meeting.

II.9 Training and development

Members of the Board of Directors are to be and to remain qualified. The Group ensures that members of the Board of Directors understand their duties and responsibilities.

All members are required to update their skills and maintain their familiarity with the Group and its business continually.

On a regular basis, presentations on different aspects of the Group's business are made to the Board of Directors and its members have the opportunity to meet with the Senior Management.

III. Board Committees

III.1 Group Committee

The Strategic Committee has been renamed Group Committee.

The Group Committee is composed of designated members from the Board of Directors.

The purpose of the Group Committee is to review regularly the business environment in the geographical places where the Group is involved and in the various business sectors where it is investing.

The Group Committee prepares the decisions to be made by the Board of Directors and follows their implementation. The Group Committee meets whenever it is required. The members of the Executive Committee are invited to the Group Committee.

The Group Committee will assign a Director of Reference to each business line which is in charge of an enhanced supervision and communication with the Executive Committee member, and which will contribute to the preparation of the Group Committee meetings.

The Chairman of the Board is also the Chairman of the Group Committee. The Group Committee reports to the Board of Directors on a regular basis by the intermediary of its Chairman.

The Secretary of the Board records minutes of the meetings. Upon approval by the members of the Group Committee, copies of the minutes are provided to the Board members.

III.2 Compensation Committee

The Board of Directors decided to create a Remuneration Committee on April 18th 2005. This Committee has been renamed Compensation Committee.

The Compensation Committee is composed of the three Directors of Reference as above defined.

Powers and duties

The Compensation Committee implements the compensation policies which have been discussed and approved by the Board of Directors. In particular, it negotiates and proposes to the Board of Directors the packages granted to the executive management

and the compensation schemes of each business unit. On these issues it reports regularly to the Board of Directors.

Meetings

The Compensation Committee meets at least once during the financial year. Any additional meeting shall be held upon the request of at least one committee member.

The Secretary of the Board records minutes of the meetings. Upon approval by the members of the Compensation Committee, copies of the minutes are provided to the Board members.

The Compensation Committee reports to the Board of Directors on a regular basis by the intermediary of its Chairman.

Please refer to the Charter of the Compensation Committee in Appendix 1.

III.3 Audit Committee

The Board of Directors decided to create an Audit Committee on June 28th 2002.

The Board of Directors designates, among the non-executive members, the members of the Audit Committee. The Audit Committee is composed of at least 2 permanent members. A Chairman of the Audit Committee is designated amongst them. At any time and for any decision the members can request the help of independent experts.

Powers and duties

The mission of the Audit Committee is to assist the Board of Directors in its supervisory role, with a focus on corporate governance, financial information, accounting standards and procedures, internal controls as well as internal and external audit processes.

In relation to its responsibility to ensure the relevance and consistency of the accounting methods used to prepare the financial statements and its role of overseeing the relations with the external auditors, the Audit Committee:

- Performs a quality review of the annual and interim consolidated financial statements and the annual accounts of the company submitted by the Senior Management, prior to their examination by the Board of Directors;
- Reviews and challenges the critical and significant accounting policies and disclosure of any unusual transactions;
- Reviews the findings and financial adjustments, and appraises the management letter of the external auditors;
- Conducts the process for the selection of the Group external auditors in charge of the audit of the consolidated financial statements, forms an opinion on the amount of fees charged for the performance of audits and submits the results of the selection process to the Board of Directors.

In order to ensure the external auditors' independence and objectivity, it also examines the advisory and other services directly provided by the auditors and their network.

In relation to its responsibility to optimize the internal control system within the Group, the Audit Committee gives its opinion on the organization of the internal audit function, reviews the group internal audit planning and receives a summary of internal audit reports on a regular basis.

The Heads of the Group control lines, namely the Internal Audit, the Compliance and the Risk Management, report functionally to the Audit Committee.

The Audit Committee reports to the Board of Directors on a regular basis by the intermediary of its Chairman

Meetings

The Audit Committee meets at least twice a year at the invitation of its Chairman. At any other time two permanent members or external as well as internal auditors may request a meeting.

The members of the Executive Committee may be invited to attend the meeting. In any case at least one Audit Committee meeting a year takes place without the presence of the executive management.

At least one representative of the external auditors, being the partner in charge, is usually invited to attend the meetings.

The Audit Committee advises on the work plans of the internal audit and may ask for any document or information it considers useful or necessary for the fulfillment of its mission.

The Secretary of the Board records minutes of the meetings. Upon approval by the members of the Audit Committee, copies of the minutes are provided to the Board members.

Please refer to the Charter of the Audit Committee in Appendix 2.

IV. Executive Committee

Quilvest Group is divided in three business lines: Private Equity, Wealth Management, and Corporate (Central functions).

The Private Equity and Wealth Management business lines are headed by a CEO of respectively Quilvest & Partners and Quilvest Wealth Management, appointed by the Boards of both companies. The Corporate line is headed by the CFO of Quilvest S.A., appointed by the Board of Directors of Quilvest SA. The two CEOs and the CFO constitute the Executive Committee.

The Executive Committee is in charge of the day-to-day management of the business lines. It shall enhance synergies between the private equity and the wealth management activities.

Each member of the Executive Committee has a privileged interlocutor at the Board of Directors. The three directors designated are called Director of Reference.

The Executive Committee meets on an *ad-hoc* basis.

V. Shareholders

V.1 Shareholders Meetings

The Annual General Meeting of shareholders is held in Luxembourg on the first business day following the second Thursday of June at 11.00 a.m. If the latter day is a legal and/or banking holiday, the meeting shall be held on the preceding business day.

The Board of Directors or the auditors may convene any general meeting.

The notices to the ordinary or extraordinary general meeting shall contain the agenda, the hour and the place of the meeting and shall be made by announcements published twice at least on eight day's interval and eight days before the meeting in the Recueil Spécial du Memorial and in a Luxembourg newspaper.

Any shareholder holding at least 5% of the company's share capital may submit proposals to the Board concerning the agenda of the Annual General meeting. However, pursuant to applicable law, shareholders holding together 10 % at least of the capital may request insertion of one or several items to the agenda of any general meeting and such shareholders may request the convening of a general meeting of shareholders.

In order to be admitted to the general meetings, the shareholders must deposit their bearer shares at the registered office at least five days before the date of the meeting, or at least eight days before the said date with the depositaries in the convening notices.

Every owner of registered shares must advise the Company within five days before the meeting of his intention to attend the general meeting. In the event that he votes by a proxy holder, the latter has to deposit his proxy at the registered office within the same time of period.

The results of votes and the minutes of Annual General Meeting are posted on the website of Quilvest shortly after meetings.

V.2 Variation of Rights Amendments of the Company's Articles of Incorporation

All or any of the rights attached to the Shares may from time to time (whether or not the Company is being wound up) be amended by decision of the extraordinary general shareholders' meeting in the manner required for the amendment of the Company's articles of incorporation except that the nationality of the Company may be changed and the commitments of its shareholders may be increased only with the unanimous consent of the shareholders and bondholders. Any provisions of the Company's articles of incorporation may be amended by resolution of the shareholders at an extraordinary general shareholders' meeting.

V.3 Ownership threshold

The Board of Directors may restrict or prevent the ownership of shares in the Company by any person if it appears to the Company that such ownership results in a breach of law in Luxembourg or abroad, may make the Company subject to tax in a country other than the Grand Duchy of Luxembourg or may otherwise be detrimental to the Company. For the purpose of this Article, the term "person" includes any physical person, firm or corporate body.

In addition, no person may, without the prior approval of the Board of Directors, directly or indirectly, alone or in connection with his spouse or descendants in direct line, hold on record or as beneficial owner more than 15% of the shares of the Company.

For such purpose the Board of Directors may:

- decline to issue any share and decline to register any transfer of a share, where it appears that such issue or transfer would or might result in record or beneficial ownership of such share by a person who, by infringement of the provisions set forth above, would hold more than 15% of the shares of the Company;
- at any time require any person whose name is entered in, or any person seeking to register the transfer of shares on the register of shareholders to furnish the Company with any information which it may consider necessary for the purpose of determining whether or not record or beneficial ownership of more than 15% of the shares of the Company rests or will rest on such person;
- decline to pay dividends or other distributions to and refuse the admission and the vote at general meetings of shareholders of any person to the extent that such person holds more than 15% of the shares of the Company.

VI. Remuneration

VI.1 Board members

The remuneration of the Board members for the year N is determined by the Annual General Meeting of Shareholders, which takes place in N+1. The amount of this remuneration is mentioned in the annual report.

Members receive a director fee fixed annually. There is no annual fee paid additionally for participating to any other Committee.

Board members in such capacity receive neither stock options nor any incentive of any kind.

VI.2 Central executive management

The remuneration of the Executive Committee of the Group is determined case by case by the Compensation Committee.

The contribution for the members of the executive management to a complementary pension scheme is not homogenous, as it follows local rules. For the same reason, not all members of the executive management are entitled to a company car.

VI.3 Local and business executive management

The compensation is dependent on local rules and/or business practice.

Appendix 1: Compensation Committee Charter

The Board of Directors decided to create a Remuneration Committee on April 18th 2005. This Committee has been renamed Compensation Committee. Its first meeting was held on September 20th 2006.

The Compensation Committee meets annually either at the occasion of the last Board of Directors meeting taking place during the financial year or upon the request of at least one Compensation Committee member.

The Compensation Committee implements the compensation policies which have been discussed and approved by the Board. In particular, it negotiates and proposes to the Board of Directors the packages granted to executive management and the compensation schemes of each business unit. On these issues it reports regularly to the Board.

Compensation for non-executive directors is not linked to an individual performance. Non-executive directors receive neither a bonus nor any long-term profit-sharing.

The calculation method for bonuses and other forms of mid-to-long term compensation for executive management and the Private Equity team is presented in full transparency. Any modification in the procedure and calculation method of a compensation scheme shall be approved by the Compensation Committee.

The Compensation Committee will seek that all compensation calculation are validated by the CFO (except its own compensation calculation). If a disagreement between the CFO and the employee arises regarding the calculation method, the Compensation Committee will decide in last resort.

With regards the reimbursement of expenses, the following rules apply:

- The reimbursement of the expenses of all professionals has to be validated by the CEO of each business unit or by the CFO of Quilvest SA for their respective perimeter.
- The reimbursement of the expenses of the CEOs/CFO has to be validated by the Director of Reference of each business unit they depend of.
- The reimbursement of expenses of the Chairman of Quilvest SA and other directors has to be approved by another Board member. The rule applies only to the expenses of the Board members or other directors incurred for attendance to meetings (travel, hotel and meals).

Minutes of each Compensation Committee meeting will be written and distributed amongst its members after each meeting and provided to the members of the Board of Directors.

Appendix 2: Audit Committee Charter

The Board of Directors decided to create an Audit Committee on June 28th 2002

The Audit Committee is composed of at least two non-executive directors.

The Secretary of the Audit Committee is the General Secretary in coordination with the Group Auditor.

1. Role of the Audit Committee

The mission of the Audit Committee is to assist the Board of Directors in its effective supervisory role and in particular to ensure compliance with corporate governance principles.

The mission encompasses Quilvest S.A. and all of its subsidiaries.

The Audit Committee analyses more specifically:

- The financial information;
- the status of internal control and the risk assessment;
- the planning of audits and reports;
- the audit processes (internal and external).

a. Financial reporting

The Audit Committee reviews the significant financial issues and judgments made in connection with the preparation by the management of the Company's financial statements, interim report, preliminary announcements and related formal statements, and challenges where necessary, the actions and judgments of management, in relation to the interim and annual financial statements before submission to the Board of Directors, paying particular attention to:

- Critical accounting policies and practices, and any changes in them;
- decisions requiring a major element of judgment;
- the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- the clarity of disclosures;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards;
- compliance with stock exchange and other legal requirements;

- reviewing the Company's statement on internal control systems prior to endorsement by the Board of Directors and to review the policies and process for identifying and assessing business risks and the management of those risks by the company and;
- to consider other topics, as defined by the Board of Directors.

The Audit Committee reviews also the clarity and completeness of disclosures in the financial statements.

If after analyzing the proposed financial statements, the Audit Committee is not satisfied it shall report its comments to the Board of Directors.

b. Internal controls and risk management systems

The Audit Committee monitors the integrity of internal controls. It assesses the scope of the systems established to monitor and manage financial and non-financial risks.

The members of the Audit Committee in their role of consolidated risk monitoring may have access to information protected by the professional secrecy in one or the other affiliate under their supervision. If required, a confidentiality agreement is submitted by the specific entity to the members for signature.

c. Internal audit process

The objective of the Audit Committee is to optimize internal control within the Group through the coordination of existing resources.

A permanent and independent Group internal audit process has been put in place as from January 1st, 2007 and relies on the activity of the Group Auditor who reports functionally to the Audit Committee. The Group Auditor performs and/or organizes audit reviews in specific areas or units of the Group and supervises functionally the activity of local internal auditors.

Internal audit reviews from the Group Auditor are prepared in accordance with a yearly projection based on risk assessment. The Audit Committee discusses this planning and makes sure that the audits carried out by the Group Auditor and the subsequent reports conform to the approved audit plan.

The Group Auditor prepares periodic summaries of internal audit reports, including major findings and recommendations. The Audit Committee reviews Group Auditor's reports on the effectiveness of Group risk management and internal control systems.

d. External audit process

The Audit Committee is responsible for overseeing the relations with the external auditors. It makes the recommendations to the Board of Directors on the appointment, reappointment and removal of the external auditors. The Audit Committee approves the terms of engagement and the remuneration of the external auditors.

The Audit Committee has to ensure the external auditors are independent and objective, taking into consideration relevant professional and regulatory requirements.

The Audit Committee develops and recommends to the Board of Directors the Group policy in relation to the provision of non-audit services by the auditors. The objective is to ensure that the provision for such services does not impair the external auditors' independence or objective.

The Audit Committee ensures at start of the annual audit that appropriate plans are in place for the audit. It reviews the audit representation letter and the management letter.

At the end of the audit, the Audit Committee assesses the effectiveness of the audit process by:

- Considering the perceptiveness of the external auditors in their handling of key accounting and audit judgments identified and in responding to questions;
- obtaining feedback about the conduct of the audit with the key people involved;
- reviewing response to the management letter;
- ensuring adequate follow-up of the management letter.

In addition to analyzing correspondence with external auditors, the Audit Committee pays attention to correspondence with regulatory authorities and compliance with corporate governance best practices and regulatory rules.

2. Attendance at meetings

The Audit Committee meets at least twice per year, ideally shortly before the Board of Directors meeting, and each time required by circumstances. A meeting can always be held at the request of two of its permanent members.

External and/or internal auditors may request a meeting if they consider that one is necessary.

The members can request the help of an independent expert if they consider that one is necessary.

The Executive Committee members may be invited to attend the Audit Committee meetings. In accordance with corporate governance best practices, a session of at least one Audit Committee meeting per year will take place without the presence of the management.

At least a representative of the external auditor, being the partner in charge, is also usually called for attending the meetings

3. Authority

The Board of Directors authorizes the Audit Committee:

- To investigate any activity within its terms of reference;
- To seek any information that it requires from any employee of the Group and all employees are directed to cooperate with any request made by the committee; and the Audit Committee can request access to any document and to any information it deems necessary to fulfil its mission;
- To obtain outside legal and/or independent professional advice and such advisors may attend meetings as necessary.

4. Reporting procedures

The General Secretary prepares the agenda and minutes - in coordination with the Board members, the Group Auditor and the representative of the external auditors - and the relevant documents for each Audit Committee meeting.

The Audit Committee pays special attention to the way the Management ensures the follow up of audit recommendations issued by the Group Auditor and External Auditors.

The secretary of the Audit Committee circulates the drafts of the minutes of meetings to all participants of the Audit Committee. Approved minutes are provided to Board members