

# REMUNERATION POLICY

LA FRANÇAISE  
AM FINANCE  
SERVICES



LA FRANÇAISE  
INVESTING TOGETHER

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## **Preamble:**

The purpose of this Remuneration Policy (the "**Policy**" or the "**Remuneration Policy**") is to provide a framework for the application of the principles relating to the remuneration of the employees of La Française AM Finance Services (also referred to hereinafter as the "**Company**").

La Française AM Finance Services, a simplified joint stock company, is licensed by the Autorité de Contrôle Prudentiel et de Résolution (the "**ACPR**") as an investment firm and therefore operates under the supervision of this regulatory authority.

The Policy has been approved by the Remuneration Committee of the La Française Group (hereinafter the "**Group**"), by the Entities Committee and by the Group's Supervisory Board.

The Group ensures compliance with a remuneration policy that is a source of value and motivation for its teams, and it makes sure that said remuneration is allocated fairly for equivalent positions and responsibilities. The equal opportunities principle holds sway both during recruitment and for the full duration of the employment contract. More specifically, this relates to equal pay between men and women.

Remuneration practices have therefore been gradually converged within the Group, based on market practices and against the backdrop of a regulatory framework for remuneration policies. The proportionality principle has also been taken into account where possible.

In accordance with the Law 2016-1691 of 9/12/2016 on transparency, the fight against corruption and the modernisation of economic life, no one may be subject to discriminatory compensation measures for reporting wrongdoing.

The Policy supersedes the Company's previous remuneration policies and practices, taking into account applicable laws, rules and regulations.

## **1 Definitions**

**"Supervisory Board"**: means the Group's Supervisory Board.

**"General Management"**: means the General Management of the Group.

**"Remuneration Committee"**: means the Remuneration Committee of the Group.

**"Entities Committee"**: means the remuneration committee for all La Française Group staff, entity by entity.

## **2 Objectives of the Remuneration Policy**

In accordance with Directive 2013/36/EU of 26 June 2013 on the prudential supervision of credit institutions and investment firms, in accordance with Directive 2019/36/EU amending Directive 2013/36/EU and in accordance with the list of texts and documents in Annexes I and I(a), La Française AM Finance Services undertakes to establish and maintain remuneration policies and practices that

are compatible with effective and sound risk management for the categories of staff whose professional activities have a significant impact on its risk profile.

La Française AM Finance Services shall also ensure that the Policy and its implementation are consistent with its business strategy, objectives, values and long-term interests as well as those of its current and potential customers. The integration of sustainability risks into the remuneration policy and practices is detailed in Annex V.

In this context, the Remuneration Policy is based on and establishes the following principles:

**Fairness:** La Française AM Finance Services shall ensure compliance with a remuneration policy that is a source of value and motivation for its teams. Moreover, it ensures that, for equivalent positions and responsibilities, remuneration is allocated fairly. The equal opportunities principle holds sway both during recruitment and for the full duration of the employment contract. More specifically, this relates to equal pay between men and women.

**Alignment of interests:** the Policy actively contributes to attracting new talent, retaining and motivating employees, and ensuring the long-term performance of La Française AM Finance Services in the interests of its customers, shareholders and employees.

**Performance enhancement combined with risk control, in compliance with applicable regulations:** the total amount of remuneration must not obstruct the ability of La Française AM Finance Services to strengthen its equity capital. The variable remuneration package allocated to the employees concerned must be consistent not only with the individual objectives assigned to them, but also with the objectives of the department to which they belong.

La Française AM Finance Services attaches particular importance to annual individual assessments of skills and qualitative and quantitative performance and their inextricable link with remuneration raises. La Française AM Finance Services is committed to consistently promoting performance by taking into account risks and the achievement of ambitious individual and collective performance objectives when determining remuneration, without encouraging inappropriate behaviour, and with a view to respecting the Company's values.

La Française AM Finance Services has made the philosophy of aligning results and remuneration one of its priorities. The lack of results, or unsatisfactory results, may result in the reduction or removal of variable remuneration.

La Française AM Finance Services is committed to ensuring that the remuneration system is subject to established corporate governance and strict compliance with procedures, internal regulations, social legislation and financial sector legislation.

In this context, the Policy has been developed to take into account, among other things, the main texts listed in Annex I.

### **3 Governance of remuneration**

The governance system put in place for remuneration ensures the independence and objectivity of decisions made in this area. The Remuneration Policy is also subject to the general organisational and operational requirements of La Française AM Finance Services. It takes into account the nature, scope and complexity of its activities.

### **3.1 Role of the General Management**

The Policy is reviewed regularly by the General Management of La Française Group at the time of strategic and/or organisational changes and at least once a year.

The General Management is also responsible for the implementation of the Policy. At least once a year, the implementation of the Policy is subject to internal, central and independent assessment.

### **3.2 Role of the Supervisory Board of La Française Group**

The Group's Supervisory Board is responsible for supervising and adopting the implementation of the Policy. During the course of its duties, it is assisted by the Group Remuneration Committee and the Entities Committee which will send it a remuneration report every year. Assistance is also provided by the control and compliance managers and the Human Resources Department.

### **3.3 The Group Remuneration Committee and the Entities Committee**

#### **3.3.1 Group Remuneration Committee**

The role of the Group Remuneration Committee is to determine and implement the actions necessary for the La Française Group to comply with regulatory obligations in terms of remuneration. It reports its findings to the General Management and the Supervisory Board.

Its main objective is to oversee the remuneration principles of the La Française Group with regard to general allocations from the various bonus pools. It determines the remuneration of the members of La Française Group Management Board, the heads of La Française Group's business lines, and the heads of the control functions, i.e. the head of the Internal Control and Compliance Department, the Risk and Reporting Department, the Real Estate Risks and Unlisted Department, and the Risk Management and Operational Risks Department.

The Group Remuneration Committee is also responsible for ensuring that the Entities Committee (as detailed below) complies with regulations relating to the various businesses of the Group.

#### **3.3.2 Entities Committee**

The purpose of the Entities Committee is to review the remuneration of all La Française Group staff, entity by entity, in accordance with the financial packages set out by the Group Remuneration Committee. Among other matters, it determines the remuneration of the RCSI.

Its role is to ensure that the terms and conditions for the allocation of variable remuneration comply with the principles set out by the remuneration policies under the regulations relating to the various businesses comprising the entities. In particular, it ensures that general allocations from the various bonus pools as decided by the Group Remuneration Committee are respected.

The composition and role of the two committees are detailed in two separate internal regulations.

### **3.4 Control functions**

The Group Remuneration Committee and the Entities Committee rely on the work carried out by the relevant control teams and functions.

#### **3.4.1 Human Resources Department**

The Human Resources Department of La Française Group participates in the development and regular review of the Remuneration Policy and contributes as follows:

- it monitors the competitiveness of the Remuneration Policy on the various labour markets in which the Group is present;
- it guides the process of defining annual individual remuneration and the assessment process;
- it analyses remuneration with regard to the achievement of quantitative and qualitative objectives.

#### **3.4.2 Compliance and Permanent Control Department**

The main tasks of the Compliance and Permanent Control Department are (i) to participate in the process of identifying risk-takers and (ii) to verify the compliance of the Remuneration Policy, particularly with regard to the prevention of conflicts of interest.

#### **3.4.3 Periodic control**

At least once a year, the implementation of the Remuneration Policy is subject to independent assessment, carried out either by Crédit Mutuel Alliance Fédérale's periodic control department, or by an external third party specialising in the field.

## **4 General remuneration principles applicable to all employees of La Française AM Finance Services**

### **4.1 Determination of the overall remuneration or bonus pool**

With the exception of New Alpha Asset Management, the Group's entities have opted for a global variable compensation package, known as a "bonus pool", aggregating the annual performance of each entity and of the Group's business line to which they belong. The calculation of this "bonus pool" is based on the Group's consolidated EBITDA.

The allocation of this "bonus pool" is distributed on a discretionary basis within each business line according to the collective objectives set. The "bonus pool" allocation is then distributed to each employee based on the achievement of the objectives set.

The variable portion due to the employee concerned will be determined on the basis of both quantitative and qualitative criteria (see Annex II).

The allocation of a variable portion of guaranteed remuneration is exceptional and applies as part of the recruitment of a new employee and is limited to the first year.

### **4.2 Composition of employee remuneration**

The Policy is determined in such a way as to avoid any conflicts of interest and to prevent risk taking which is considered reckless. There is no direct link between the remuneration of Management Company staff primarily engaged in a particular activity and the remuneration of LFFS employees

primarily engaged in another activity, or the income generated by such other persons, where a conflict of interest is likely to arise in relation to those activities.

The remuneration of La Française AM Finance Services employees is made up of one fixed portion and one variable portion. In general, an appropriate balance is established between the fixed and variable portions of the employee's overall remuneration, when the latter receives variable remuneration. In any event, the fixed portion shall represent a sufficiently high proportion of the overall remuneration that a fully flexible policy can be applied to the variable portion, including maintaining the possibility of reducing the variable portion.

#### **4.3 Principles applicable to the fixed portion of remuneration**

The fixed portion of an employee's remuneration takes into account their position and the scope of their responsibilities, in compliance with the rules of employment law relating to the equal treatment of employees. It is also intended to reflect the employee's level of experience, the employee's degree of expertise, the employee's commitment and the employee's own knowledge.

The fixed portion of remuneration is made up of the following elements, taking into account (where necessary) any collective agreements in force: a fixed monthly salary paid in cash, any additional fixed salary or bonus to compensate for relocation abroad and, where applicable, any benefit in kind (company vehicles, pension schemes, etc.) which is neither discretionary nor performance-based.

The fixed portion of remuneration is subject to annual review but will not necessarily be changed following such a review. The increase in fixed remuneration, as well as decisions relating to the promotion of employees, must take into account performance in terms of risk and compliance.

#### **4.4 Principles applicable to the variable portion of remuneration**

The variable portion of the total remuneration may not exceed the amount of the fixed portion of this remuneration. It may be increased to twice the amount of the fixed remuneration by decision of the competent general meeting of the investment firm.

The aim of the variable portion of remuneration is to encourage employee involvement and loyalty by recognising quantitative and qualitative performance, particularly in terms of compliance and risk management.

The quantitative (financial) and qualitative (non-financial) criteria are evaluated on a multi-year basis, at the level of the entity, the department concerned and the employee.

The quantitative criteria cover a sufficiently long period of time to allow for a proper understanding of the risks associated with the employee's activity.

Qualitative criteria are, for example, the degree of customer satisfaction or the employee's strict compliance with internal rules. They also reflect the involvement of employees in the development and deployment of the AML/CFT system.

Quantitative and qualitative criteria are weighted to provide adequate incentives for the employee over the long term. To this end, a common risk management and compliance objective for all employees is assessed separately for each employee (**see Annex II**).

The desire to consolidate the "Compliance and Risk" culture in the performance of each employee's duties is reflected in the implementation of a system for developing and validating knowledge of, and compliance with, internal compliance and risk management rules and procedures, with any breaches being followed-up.



This system is based on: the development of knowledge of rules and procedures in the areas of compliance, financial risk control, permanent controls and operational risks, as well as information system security, in particular through:

- A compulsory training plan offered by the various control bodies;
- A monitoring of the attendance rate of employees in these training courses;
- Validation of compliance and risk management knowledge, in particular through post-training tests and/or an annual examination led by compliance;
- Monitoring of any breaches of compliance by employees with legal and regulatory provisions, rules, procedures and operating methods issued by the compliance and permanent control departments

## **5 Special remuneration principles applicable to the variable remuneration of certain functions or categories of employees**

In accordance with current regulations, La Française AM Finance Services has instituted specific rules applicable to the variable portion of the remuneration of certain functions and employees whose activity is likely to have an impact on the risk profile of La Française AM Finance Services. The identification process as well as the justifications for decisions to include or remove employees from these lists are duly documented.

### **5.1 Identification method of the Identified Staff**

In accordance with the CRD V Directive, only the members of the Supervisory Board and the Management Board have a significant impact on the risk profile of La Française AM Finance Services (hereinafter referred to as "**Identified Staff**" or "**Risk Takers**"). (Annex I a)

The list of Identified Staff is reviewed annually and following the recruitment of any new employee.

The list of Identified Staff is attached to the Remuneration Policy.

### **5.2 Terms of payment and determination of the variable portion for Identified Staff**

For Identified Staff, and subject to the requirements of employment law or the application of the principle of proportionality, the system applicable to the variable portion of compensation is as follows:

#### **a. Variable portion awarded below the threshold set by the Remuneration Committee**

The variable remuneration of a maximum of EUR 50,000 attributable to the past financial year N, will be paid in full in cash at the end of March N+1.

Variable remuneration greater than EUR 50,000 shall be subject to the measures described below. These conditions are applicable from the 1st euro.

#### **b. Variable portion awarded above the threshold set by the Remuneration Committee for the financial year N:**

For any variable remuneration exceeding EUR 50,000, the first 60% will be paid in cash at the end of March N+1. The remaining 40% (Deferred Portion) will be acquired progressively and in stages over four periods of one year each, as follows:

- **First vesting period beginning on 1 April in year N+1 and ending on 31 March in year N+2:** the gross amount of variable remuneration for financial year N, acquired at the end of this period<sup>1</sup> corresponds to the proceeds of 1/4 of the Deferred Portion.
- **Second vesting period beginning on 1 April in year N+2 and ending on 31 March in year N+3:** the gross amount of variable remuneration for financial year N, acquired at the end of this period<sup>1</sup> corresponds to the proceeds of 1/4 of the Deferred Portion.
- **The third vesting period beginning on 1 April in year N+3 and ending on 31 March in year N+4:** the gross amount of variable remuneration for financial year N, acquired at the end of this period<sup>1</sup> corresponds to the proceeds of 1/4 of the Deferred Portion.
- **The fourth vesting period beginning on 1 April in year N+4 and ending on 31 March in year N+5:** the gross amount of variable remuneration for financial year N, acquired at the end of this period<sup>1</sup> corresponds to the proceeds of 1/4 of the Deferred Portion.

Variable compensation not only remunerates the employee's performance for the year, but also helps to build employee loyalty. Moreover, it contributes to the long-term performance of La Française Group;

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*Subject to (i) the ongoing employment of the relevant Identified Staff by the Company or the Group on this date, and (ii) the non-application of an ex post facto risk-adjustment measure in accordance with the principles set out in section 5.4.*

### 5.3. Control functions

The variable remuneration covering the staff members responsible for control functions is determined directly by the Group Remuneration Committee. The fixed remuneration portion is preferred for control functions. A fully independent performance assessment is carried out with regard to the variable part of their remuneration. More specifically, in order to avoid conflicts of interest, the performance assessment for control functions is based primarily on non-financial criteria.

As such, the performance is assessed based on primarily qualitative objectives that are specific to the function performed. As a general rule, unless variable remuneration is reduced due to poor results at La Française AM Finance Services, variable remuneration for control functions will be unrelated to the company's economic results.

### 5.4. Ex-post risk adjustment mechanism

Vesting or payment of the deferred portion of variable remuneration is never guaranteed. It is also subject to compliance with the conditions applicable during the entire deferral period.

The vesting or payment of the deferred portion of variable remuneration, in whatever form, is subject to the fulfilment of conditions based on criteria related to compliance with the risk management and compliance framework, the activity of the business unit and, where applicable, individual criteria, as well as a condition of presence. These conditions are set by the Remuneration Committee on an annual basis and are explicitly specified to the employees in question when this remuneration is allocated.

In addition, certain behaviours may give rise to the application of a penalty or restitution mechanism.

- Penalty scheme

A penalty is only applicable to the employees concerned (Identified Staff). Any behaviour deemed unacceptable and/or which may expose La Française AM Finance Services to abnormal and significant risk, including in terms of sustainability, may justify the application of a penalty.

This assessment is implemented on the basis of applicable quantitative/qualitative criteria and is adapted to the functions performed by Identified Staff. These criteria are clearly communicated to Identified Staff. The various types of behaviour giving rise to a possible penalty are identified and monitored by the control functions, with the assistance of the Human Resources Department (see Annex IV).

- Restitution mechanism

In certain particularly serious circumstances as determined by the Remuneration Committee and in accordance with the applicable legislation and regulations (in particular the provisions of Law No. 2019-486 of 22 May 2019 on the growth and transformation of companies, known as the Pacte Law), a contractual agreement may be concluded between an employee and La Française AM Finance Services by which the former agrees to return the ownership of an amount of remuneration to the latter. If this restitution results from risks taken, it is a form of ex post risk adjustment.

Furthermore, this practice is only applicable in cases of (i) fraudulent behaviour and/or intentional violation of risk monitoring rules, including sustainability risks, (ii) not detected before or at the time of the granting of the variable part of remuneration for the financial year in question and (iii) having directly caused losses that exceed the materiality thresholds set. The various types of behaviour giving rise to the application of a restitution mechanism are identified and monitored by the control functions, with the assistance of the Human Resources Department (see Annex IV).

## **6 Severance pay / replacement remuneration / guaranteed variable remuneration**

Subject to applicable legal, regulatory and/or contractual provisions, payments related to the early termination of an employment contract are designed not to reward failure.

Discretionary payments (i.e. payments beyond the legal or conventional indemnities due according to the mandatory provisions of employment law), linked to the early termination of an employment contract or mandate, will in no case be contractually fixed in advance (e.g. prohibition of golden parachutes). They are determined at the time of the employee's departure, taking into account the beneficiary's performance, assessed in the light of the collective performance of their business and of the Company as a whole.

In the event of guaranteed variable remuneration or replacement in the context of the recruitment of a new employee, this will be granted on an exceptional basis and will be limited to the first year of employment. The terms and conditions of any replacement remuneration above a certain amount and/or seniority level of the employee should be similar to the remuneration given up by the new employee.

## **7 Application of the principle of proportionality**

Pursuant to CRD V and the Order of 3 November 2014, the principles relating to remuneration must be applied in a proportionate manner, taking into consideration the size, internal structure, nature and complexity of the activities of the entity in question.

La Française AM Finance Services has chosen to apply the principle of proportionality to its remuneration practices based in particular on Article 199 of the Order of 3 November 2014. The latter stipulates that credit institutions may provide for the adjustment of the rules applicable to remuneration contained in Articles L.511-71 to L.511-88 of the Monetary and Financial Code if the following conditions are met:

- They meet the conditions of a balance sheet size of less than 10 billion euros;
- They have identified their risk takers;
- They have put in place rules for limiting (capping the ratio of variable to fixed remuneration), spreading (deferral) and, where appropriate, diversifying (instruments) the methods of payment of the variable remuneration of these persons, in compliance with the long-term interests of the company or the group and subject to the condition that they do not limit the company's ability to strengthen its equity or that of the group.

La Française AM Finance Services meets these conditions if:

- Its balance sheet size is less than 10 billion euros;

- It has identified its risk takers;
- It ensures that the three main principles of remuneration set out in the CRD V directive, namely deferred, diversified and limited variable remuneration, remain applicable, while respecting its long-term interests and ensuring that its ability to strengthen its equity capital is not limited.

## **8 Prohibition on personal hedging**

Employees agree not to use personal hedging strategies or remuneration or liability insurance to offset the impact of the risk alignment built into the remuneration agreements.

## **9 Publication of the Remuneration Policy**

### **9.1 Internal publication**

The Remuneration Policy is made available to employees on the La Française AM Finance Intranet network. Employees are also informed of the policy and of any relevant modification concerning them by their superiors, during the annual appraisal interviews.

### **9.2 External publication**

The general principles of the Remuneration Policy are freely accessible to any person who legitimately wishes to read them.

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## **ANNEX I: List of texts and documents forming the basis of the Remuneration Policy**

- Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, transposed into the Monetary and Financial Code by Order 2014-158 (the "**CRD IV Directive**");
- Directive 2019/36/EU amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the "CRD V Directive");
- Delegated Regulation 604/2014 of 4 March 2014 of the European Commission supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (the "**Delegated Regulation**");
- European Banking Authority guidance GL/2015/22 of 21 December 2015 entitled "*Guidelines on Sound Remuneration Policies*";
- The Autorité de contrôle prudentiel et de résolution's notice dated 30 December 2016 on compliance with the European Banking Authority's GL/2015/22 guidelines;
- Opinion 2015/25 of the European Banking Authority of 21 December 2015 on the application of the principle of proportionality provided for by the CRD IV Directive;
- The Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to supervision by the Autorité de contrôle prudentiel et de résolution.
- Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector

**ANNEX I(a) - Categories of staff whose professional activities have a significant impact on the risk profile of the institution**

The categories of staff whose professional activities have a significant impact on the institution's risk profile include at least:

- (a) all members of the management body and the executive management:
- (b) members of staff with managerial responsibility for the institution's control functions or significant business units;
- (c) members of staff who were entitled to significant remuneration in the previous financial year, provided that the following conditions are met:
  - (i) the remuneration of the member of staff in question is equal to or more than EUR 500,000 and equal to or more than the average remuneration granted to the members of the institution's management body and senior management referred to in point a);
  - (ii) the member of staff in question carries out the professional activities in a significant business unit and these activities are such as to have a significant impact on the risk profile of the business unit in question.

**ANNEX II - Risk and compliance assessment criteria (qualitative and quantitative approach)**

People	Quantitative criteria	Qualitative criteria
<b>Members of the Management Board and Supervisory Board</b>	Economic criteria: Growth in net inflows Growth in the Group's net income	<ul style="list-style-type: none"> <li>• Managerial criteria:                             <ul style="list-style-type: none"> <li>- Contribute to the development of key staff</li> <li>- contribute to the visibility of the Group's key employees</li> </ul> </li> <li>• Promote the development of the ESG/impact offer</li> </ul>



**ANNEX III - List of Identified Staff**

- Members of the Executive Board and Supervisory Board of La Française AM Finance Services

**ANNEX IV: Behaviour that may give rise to a penalty or restitution**

Type of behaviour	Degree of gravity of behaviour	Frequency of behaviour	Impact on remuneration	
			Penalty	Restitution
False declaration	False declaration resulting in either a significant readjustment of the company's financial results or a reputational risk	One time	YES	YES
Professional misconduct	The employee has behaved in a manner detrimental to the company which results in a significant financial impact or damages the reputation of the company.	One time	YES	YES
	The employee has been dismissed for serious misconduct	One time	YES	NO
Serious technical error	Remuneration was based on inaccurate performance metrics	One time	YES	NO
Failure to identify risks	The employee, inappropriately or through gross negligence, has failed to identify, as might reasonably be expected in the light of their duties, major risks including sustainability risks.	One time	YES	NO

The amounts of penalties and restitutions will be submitted to the Remuneration Committee on the proposal of the General Management of La Française Group.

## ANNEX V

### Integration of sustainability risks into its remuneration practices

#### OUR SUSTAINABLE INVESTMENT PHILOSOPHY

La Française Group believes that a profitable investment should be a sustainable investment. We place environmental and social issues at the heart of our investment strategy.

We are fully committed and actively working towards a more sustainable economy. Moreover, we are committed to applying our responsible investment strategy to all of our different asset classes.

Our strategy therefore aims to steer our capital allocation towards long-term energy transition while minimising our current carbon impact. It also aspires to provide a sustainable investment solution and seeks to maximise long-term returns for our clients.

The remuneration policy is fully aligned with La Française Group's practices in terms of integrating environmental, social and governance (ESG) factors into its third-party management activity.

The remuneration practices detailed below ensure that sustainability risks are integrated into the remuneration policy of La Française Group.

#### INTEGRATION OF SUSTAINABILITY RISKS IN THE REMUNERATION POLICY OF LA FRANCAISE GROUP

Each year, the Remuneration Committee approves all changes to the remuneration policy of the various Group entities. In accordance with the SFDR Regulation on Sustainability Disclosure, the Group is committed to establishing, implementing and maintaining remuneration policies, procedures and practices that promote sound and effective risk management, including sustainability risks.

Specific roles and responsibilities surrounding sustainability have been defined for different internal functions, and targets have been set. During the annual appraisal interview, the various objectives - including those relating to sustainability - are assessed and the variable remuneration awarded to employees is determined by a discretionary process.

Teams that have specific sustainability goals are:

**Our sales staff** contribute to developing our assets, while simultaneously respecting clients' limitations in terms of risk and return, including sustainability risk.

**Our marketing managers** include sustainability factors when developing new products.

**As a member of the Executive Committee, the Sustainable Investment Director** of the Group, ensures the consistency of the approach between the strategy defined by the Management Board and its implementation across the various activities of the Group and the initiatives undertaken by the various entities of the Group.

For employees whose variable remuneration is subject to deferral, a penalty or restitution system may apply if the employee exposes the Group or any of its companies to abnormal or excessive risk-taking, or if the employee exposes one or more Funds to a significant risk not foreseen by their risk monitoring policy, including sustainability risks.