



Remuneration policy

La Française International

- **Preamble**

In accordance with the provisions of Directive 2011/61/EU and 2014/91/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (hereinafter referred to as the "**AIFM Directive**") and on the managers of transferable securities funds (hereinafter referred to as the "**UCITS V Directive**"), La Française International undertakes to establish, implement and maintain remuneration policies, procedures and practices enabling the promotion of a sound and efficient risk management, which constitutes one of the pillars of its strategy.

The remuneration policy (hereinafter referred to as the "**Policy**") takes into account the general organisational and operational requirements of La Française International (hereinafter referred to as the "**Management Company**"), as well as the nature, scope and complexity of its activities.

The Policy promotes a sound and efficient risk management and does not encourage risk taking which would be incompatible with the risk profiles, regulations and instruments of incorporation of the AIFs or UCITS managed by the Management Company. It is also determined in such a way as to avoid any conflicts of interests and to prevent risk taking which is excessive or incompatible with the interests of the clients of the Management Company.

- **Governance of remuneration**

The Policy is defined and adopted by the general management of the Management Company, in the performance of its supervisory functions, on the advice of the remuneration committee of the La Française group (hereinafter referred to as the "**Remuneration Committee**").

The Remuneration Committee was set up by the La Française Group to demonstrate competence and independence in its assessment of the Policy, the remuneration practices and the incentives created for risk management.

The Remuneration Committee is structured around internal regulations and respects the principles detailed in the AIFM or UCITS Directive. This latter provides a framework for its composition and its roles, assignments, responsibilities and methods of operation.

The directors of the Management Company, the Internal Auditing and Compliance and Financial Risk Monitoring Department of the La Française group are also involved in the review process of variable remuneration within the company and more specifically for staff known as "identified" (hereinafter referred to as "**Identified Staff**").

The Identified Staff include personnel from the Management Company, including members of the general management of the company, "risk takers" and persons carrying out supervisory roles, as well as all staff who, in view of their overall remuneration, fall within the same remuneration bracket as the general management of the company and the "risk takers", and whose professional activities have a

substantial impact on the risk profile of the Management Company or the risk profiles of the AIFs or UCITS that they manage.

- **Principles relating to the determination and the payment of remuneration for all staff**

For the purposes of the Policy, the remuneration applicable to all the staff of the Management Company is made up of at least one fixed portion which remunerates the capacity of the staff member to perform their role in a satisfactory manner.

For some members of the Management Company staff, however, these portions of remuneration may be supplemented with a variable portion which is intended to recognise the individual performance of the relevant staff member, their contributions and their behaviour, the performance of the operational unit to which they belong and the overall results of the Management Company.

In this latter case, a suitable balance will be established between the fixed and variable portions of the overall remuneration for the member of staff. In any event, the fixed portion of the remuneration shall represent a sufficiently high proportion of the overall remuneration so that a fully flexible policy can be applied to the variable portion of the remuneration, including the possibility of not paying out any variable portion.

- **Principles relating to the determination and the payment of remuneration for Identified Staff**

All staff members of the Management Company are included in the remuneration process detailed in the above paragraph. That being said, it is hereby stated that, in accordance with the provisions of the AIFM and UCITS V Directive, the Management Company, in its capacity as AIF or UCITS manager, has introduced a specific measure for the variable portion of the remuneration for Identified Staff.

For Identified Staff, the measure applicable to the variable portion of their remuneration is as follows:

- at least 50% of the variable portion of the remuneration is deferred to the point where the set threshold for maximum payment in cash is exceeded or represents a percentage above that defined in relation to the set remuneration;
- the deferred payment of the variable portion of the remuneration is set to a minimum of three years;
- the deferred portion of the variable portion of the remuneration shall only be definitively acquired by the staff member on the date of their effective payment and may not be received by the staff member prior to said payment; and
- a specific measure based on criteria specific to their position is applied for Identified Staff responsible for risk management and compliance functions.

Please note, however, that the measure as detailed above shall not be applicable if the overall amount of this variable remuneration for the relevant staff member falls below the minimum threshold set annually by the La Française Remuneration Committee.

- **Amendments to the Policy**

The Remuneration Committee shall re-examine and rule on the various elements of the Policy each year.

- **Non-circumvention of the Policy**

The Management Company shall ensure that its staff members undertake not to use personal hedging strategies or assurances relating to remuneration or responsibilities in order to pre-empt the occurrence of alignment with unitholders and the management company over the risk involved in its remuneration agreements.

The Management Company shall not pay the variable portion of the remuneration to relevant staff through instruments or methods which facilitate the circumvention of the requirements of the AIFM and UCITS V Directive.

***A breakdown of the remuneration policy is available from the management company upon written request.
A hard copy will be provided free of charge pursuant to such a request.***