

REMUNERATION POLICY

LA FRANÇAISE
GROUP
MANAGEMENT
COMPANIES



LA FRANÇAISE
INVESTING TOGETHER

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Preamble

The La Française Group (the “**Group**”), as reference shareholder, brings together management companies specialising in specific business lines - primarily securities and real estate - with a strong cross-functional structure geared towards its clients.

This remuneration policy (the “**Policy**”) is intended to set guidelines for the application of principles relating to the remuneration of all staff members of the management companies accredited by the French Financial Markets Authority (the “**AMF**”). These management companies are La Française Asset Management and La Française Real Estate Managers (jointly referred to as the “**Management Companies**” or the “**Entities**”).

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 provisions of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the “**AIFM Directive**”) and Directive 2014/91/EU on transferable securities fund managers (the “**UCITS V Directive**”), and European Regulation 2019/2088 on sustainability-related disclosure, the Management Companies undertake to establish, implement and maintain remuneration policies, procedures and practices enabling the promotion of sound and efficient risk management, which constitutes one of the pillars of their strategy.

With this in mind, the Policy has been drawn up on the basis of the documents in Annex I.

1. Definitions

“**Supervisory Board**”: means the Group's supervisory board.

“**General Management**”: means the general management of the Group.

“**Executive Committee**”: means the Group's executive committee.

“**Group Remuneration Committee**”: means the Group's remuneration committee.

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

“**Identified Staff**”: means employees of the Management Companies, including members of the General Management, “**risk takers**” and persons carrying out supervisory roles, as well as all staff who, when their total remuneration is taken into account, fall within the same pay bracket as the General Management and the “risk takers”, and whose professional activities have a substantial impact on the risk profile of the Management Companies or the risk profiles of the AIFs or UCITS that they manage. You will find an exhaustive list of these staff members in Annex II of the Policy.

“**Internal Regulations**”: means the internal regulations of the Group Remuneration Committee and the Entities Committee which, in particular, detail their composition and operating procedures.

2. Governance of remuneration

2.1. General provisions

The Policy takes into account the general organisational and operational requirements of the Management Companies, along with their type, scope and the complexity of their businesses.

The Policy actively contributes to the attraction of new talent, to the retention and motivation of employees within the Management Companies, as well as to their long-term performance.

The Policy promotes sound and efficient risk management and does not encourage any risk taking that would be incompatible with the risk profiles, regulations and instruments of incorporation of the AIFs or UCITS managed by the Management Companies.

2.2. Role of the General Management

The Policy is regularly reviewed by General Management during strategic and/or structural changes as part of the development of the Management Companies 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 as carried out by the Remuneration Committee.

2.3. Role of the La Française Group Supervisory Board

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 each year send it a remuneration report. Assistance is also provided by the control and compliance managers and the Human Resources Department.

2.4. Role of the Group Remuneration Committee and the Entities Committee

2.4.1. The 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 the La Française Group Executive Board, the managers of the La Française Group's business lines, as well as that of the control staff.

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.

2.4.2. The 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 allocations set out by the Remuneration Committee.

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 operation of the two committees are detailed in two separate internal regulations.

2.5. Role of the control and risk monitoring functions

2.5.1. Composition of the control and risk monitoring functions

The managers in charge of control and risk monitoring functions are currently the following:

- the Risk Director of the La Française Group;
- the Assistant Risk Director of the La Française Group;
- the Risk Control & Reports Director (Securities);
- the Internal Control and Compliance Director of the La Française Group;
- the Internal Control and Compliance Director of the Businesses Group

- Heads of Compliance and Internal Control (RCCI);
- the Director of Risk Management, Operational Risks and Data Protection Officer (DPO);

2.5.2. Role of the control and risk monitoring functions

In accordance with the regulatory provisions applicable to management companies, in particular to managers of AIFs or UCITS, risk control and monitoring functions form part of the process of reviewing variable remuneration within the Management Companies and, in particular, that of Identified Staff.

More specifically, the risk control and monitoring functions contribute to:

- the process of identifying Identified Staff, both in respect of the relevant business lines and, within them, the identification of the individual positions concerned;
- consideration of the methods used to determine the variable remuneration allocations by ensuring that the various risks, including sustainability risk, are taken into account as well as the maintenance of the Management Companies' capacity to strengthen their own funds if necessary;
- the assessment of risk management and operational compliance, including sustainability, by the teams/employees concerned, particularly with regard to risk takers. This assessment is made possible thanks to the joint work sessions held between employees in risk control and monitoring functions and other business lines within the Management Companies, thereby giving them an overview of activities and the operational conditions; and
- the development of deferred variable remuneration schemes, as well as the determination of any criteria for penalties.

The risk control and monitoring functions forward their proposals to the Remuneration Committee, which ensures that risk control and compliance opinions are taken into account.

2.6. The role of the Human Resources Department

The La Française Group Human Resources Department takes part 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.

2.7. The role of periodic controls

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

3. Principles relating to the determination and payment of remuneration

Some remuneration principles apply to all staff working for the Management Companies (3.1.). However, other principles apply only to Identified Staff (3.2.).

3.1. Principles applicable to all staff working for the Management Companies

The Policy is determined in such a way as to avoid any conflicts of interest and to prevent risk taking which is considered excessive or incompatible with the interests of the clients of the Management Companies.

In this context, a certain number of shared principles are applicable to all staff of the Management Companies.

3.1.1. Scope of the concept of remuneration

For the purposes of the Policy, the remuneration applicable to all the staff of the Management Companies is made up of at least one fixed portion that compensates an employee's capacity to perform their role in a satisfactory manner.

However, the fixed remuneration of some members of staff of the Management Companies 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 Companies.

In this latter case, a suitable balance shall be established between the fixed and variable portions of the employee's total remuneration.

In any event, the fixed portion of remuneration shall represent a sufficiently high proportion of the overall remuneration that a fully flexible policy can be applied to the variable portion, including the possibility that said variable portion shall not be paid out. Moreover, remuneration of the staff working for the Management Companies is intended to be motivational while falling within the market average.

3.1.2. 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, their degree of expertise, their commitment and their specialist knowledge.

The fixed portion of remuneration is made up of the following elements, where required taking into account any applicable collective agreements: 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, 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.

3.1.3. Principles applicable to the variable portion of remuneration

Certain employees of the Management Companies may be granted a variable portion of remuneration according to their contribution to the performance of the Group.

Please note that staff working in control positions who are to be allocated a variable portion of remuneration will be remunerated according to the achievement of the objectives linked to their roles, regardless of the performance of the Management Companies under their supervision.

This is ensured by the Remuneration Committee, in particular when determining the objectives of the employees concerned, in consultation with their manager.

3.1.3.1. Prerequisites to the allocation of the variable portion of remuneration

The allocation of the variable portion of remuneration for the financial year in question is determined based on the qualitative and quantitative criteria listed in Annex III and the payment of deferred amounts is subject to compliance with the condition that an ex post facto risk adjustment measure exists and may be applied, as detailed in 3.2, where applicable.

3.1.3.2. Determination of the amount of the variable portion of remuneration

The variable portion of remuneration that may be awarded to an employee will be revealed at the end of March of the following financial year (N+1) at the earliest, once the accounts for the financial year concerned (N) have been closed.

The payment in cash of the variable portion of remuneration shall be deemed to constitute a salary.

3.1.3.3. General principles

- **The “bonus pool” or “collective bonus” system**

The Management Companies have opted for a global variable remuneration package known as a “bonus pool”, simultaneously aggregating the annual performance of each company and the business line of the Group 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 relevant employee will be determined on the basis of both quantitative and qualitative criteria (Annex III).

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

- **Maximum proportion of the variable portion of remuneration (internal rule)**

Individually, the proportion of the variable portion of remuneration for the employees concerned added to the fixed portion may reach a maximum limit set by the Remuneration Committee.

3.1.3.4 Quantitative/qualitative criteria for the performance assessment

The quantitative and qualitative criteria for assessing performance depend on the position occupied by the employee. These criteria are listed in Annex III of this remuneration policy.

3.1.4 Annual compensation review procedures

An outline of the annual compensation review is communicated by General Management to each member of the Executive Committee and to the Business Managers in guidelines, to which is attached the retro-planning of the decision-making process.

The members of the Executive Committee and the Business Managers formalise their remuneration proposals for their teams within the framework of the defined Policy.

These proposals are carefully examined by the General Management and the Human Resources Department, who ensure that the defined principles are respected.

If the General Management deems it necessary, adjustments may be requested. This process is triggered at the beginning of January and should be complete by the end of March, each financial year.

3.2. Principles applicable to Identified Staff

All employees of the Management Companies are included in the remuneration process detailed in paragraph 3.1 of the Policy.

Therefore, it is hereby stated that in accordance with the provisions of the AIFM and UCITS V Directives, the Management Companies, in their capacity as AIF or UCITS managers, have introduced a specific measure for the variable portion of remuneration for Identified Staff, a list of whom is provided in Annex II of the Policy.

3.2.1. Applicable measure for the variable portion of remuneration for Identified Staff

For members of Identified Staff, the measure applicable to the variable portion of remuneration shall not apply if the total amount of this variable remuneration falls below the threshold of 200,000 euros set by the Remuneration Committee.

a) Variable portion allocated in the bracket [0; €200,000]:

Variable remuneration up to €200,000, awarded for the previous financial year N, will be fully paid in cash at the end of March N+1.

Variable remuneration greater than €200,000 shall be subject to the measures described below.

These conditions are applicable from the 1st euro.

b) Variable portion allocated in bracket > €200,000 under financial year N:

for all variable remuneration greater than €200,000, the first 50% will be paid in cash at the end of March N+1. The remaining 50% (Deferred Portion) shall be progressively vested over 3 periods of 1 year, under the following conditions:

- **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 period¹ corresponds to the proceeds of 1/3 of the Deferred Portion carried over by the indexing factor.
- **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 period¹ corresponds to the proceeds of 1/3 of the Deferred Portion carried over by the indexing factor.
- **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 period¹ corresponds to the proceeds of 1/3 of the Deferred Portion carried over by the indexing factor.

Given that:

- The indexing factor represents the performance of a basket of funds or investment products over the indexing period. This performance will be equal to the equally-weighted average of the performance of the funds chosen, it being considered that the performance of a fund relates to the objective listed in its prospectus or a reference.
- “Basket of Funds or investment products” refers to an AIF and UCITS basket whose composition is decided by the Management Companies for each financial year N in question in order to better comply with the requirements of the AIFM and UCITS V Directives.

3.2.2. Penalty and restitution mechanisms

The acquisition or payment of the deferred portion of the variable remuneration is subject to compliance with conditions based on criteria linked to the results achieved by the Management Companies, as well as compliance with the risk management framework and the activity of the operational unit and, where applicable, individual criteria, as well as a condition of ongoing employment within the group. 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.

¹Subject 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 3.2.2.

- Penalty scheme

A penalty is only applicable to the employees concerned (Identified Staff).

The application of a penalty may arise in response to any behaviour deemed unacceptable by the General Management of the Management Companies and/or which may expose:

- (i) the Management Companies to unusual and significant risk;
- (ii) one or more of the funds managed (in the case of fund managers) to significant risk not provided for by the risk monitoring policy of the funds concerned.

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 behaviours 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 each management company 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 (i) in cases of fraudulent behaviour and/or intentional breach by the manager of the risk monitoring rules of the AIF/UCITS concerned, (ii) if this is not detected before or at the time of the allocation of the variable portion of remuneration for the financial year in question and (iii) if it has directly caused losses at the level of the AIF/UCITS concerned which exceed the set materiality thresholds. The various behaviours 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).

4. Amendments to the Policy

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

It will submit all of its work to the General Management, which will decide on the Policy and its application for the financial year.

5. Non-circumvention of the Policy

Staff members shall undertake not to use personal hedging strategies or assurances relating to remuneration or responsibilities in order to pre-empt the occurrence of alignment over the risk involved in its remuneration agreements.

Update 09/02/2021

The Management Companies shall not pay the variable portion of remuneration to the relevant employees by means of instruments or methods that circumvent the requirements of the AIFM and UCITS V Directive. The General Management of each management company shall guarantee compliance with this principle.

6. Publication of the Policy

6.1. Internal publication

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

6.2. External publication

The general principles of the Remuneration Policy are freely accessible at the request of any person who legitimately wishes to learn about them.

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

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;
- Directive 2014/91/EU on securities fund managers;
- ESMA guidelines on remuneration policies applicable to alternative investment fund managers (ESMA/2013/232) published on 3 July 2013;
- The Monetary and Financial Code and the AMF General Regulations;
- Guidelines relating to remuneration policies applicable to alternative investment fund managers (ESMA/2013/232) published on 3 March 2013 and subsequently amended;
- AMF Position n°2013-11 relating to remuneration policies applicable to AIF managers dated 14 August 2013;
- Guide to the remuneration of AIF managers published by the AMF on 2 August 2013;
- Guidelines 2016/411 of ESMA of 31 March 2016 entitled "Guidelines relating to remuneration policies applicable under the UCITS V and AIFM directives";
- Guidelines on good remuneration policies under the Directive on undertakings for collective investment in transferable securities (ESMA/2016/575-FR) published on 14 October 2016; and
- Authorisation requirements for Management Companies.
- Law n°2019-486 of 22 May 2019 relating to the growth and transformation of companies known as the PACTE law
- Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector

ANNEX II: List of Identified Staff

Job title of the employee	Direction/Division to which the employee is attached	Objective of the position occupied by the employee	Description of the employee's decision-making power with regard to the position they occupy	Responsibilities relating to risk taking)	Decision to include within the scope of Identified Staff
CEO/General Management	Manager responsible	<ul style="list-style-type: none"> • Supervise the asset management company 	<ul style="list-style-type: none"> • Decision-making power related to the performed role of the manager responsible 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile and the marketing of managed AIFs or UCITS.	Yes
Management Officer	Management	<ul style="list-style-type: none"> • Supervise fund management • Implement management guidelines 	<ul style="list-style-type: none"> • Decision-making power in the context of creating new products or modifying products and developing the management's position. • Decision-making power in the context of the management of managed AIFs or UCITS. 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile and the marketing of managed AIFs or UCITS.	Yes
Manager or junior manager	Management	<ul style="list-style-type: none"> • Manage the funds entrusted to them while complying with the management limitations and the performance objectives set by General Management. • Participate in the renewal and consistency of the product range 	<ul style="list-style-type: none"> • Decision-making power in the context of the management of managed AIFs or UCITS. 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the operational functioning of managed AIFs and of the Management Companies.	Yes

Job title of the employee	Direction/Division to which the employee is attached	Objective of the position occupied by the employee	Description of the employee's decision-making power with regard to the position they occupy	Responsibilities relating to risk taking)	Decision to include within the scope of Identified Staff
Group Risk Director	Risk Department	<ul style="list-style-type: none"> • Work with the management company in the implementation of its risk management measures 	<ul style="list-style-type: none"> • Power to decide on any arbitrage based on feedback from Risk Managers 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs or UCITS and of the Management Companies.	Yes
Deputy Group Risk Director	Risk Department	<ul style="list-style-type: none"> • Work with the management company in the implementation of its risk management measures 	<ul style="list-style-type: none"> • Power to decide on any arbitrage based on feedback from Risk Managers 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs or UCITS and of the Management Companies.	Yes
Risk Control & Reports Director	Risk Control & Reports	<ul style="list-style-type: none"> • Work with the management company in the implementation of its risk management measures • Organise the supervision of the department, ensure performance monitoring and risk control of managed funds 	<ul style="list-style-type: none"> • Power to decide on any arbitrage based on feedback from Risk Managers 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs or UCITS and of the Management Companies.	Yes

Job title of the employee	Direction/Division to which the employee is attached	Objective of the position occupied by the employee	Description of the employee's decision-making power with regard to the position they occupy	Responsibilities relating to risk taking)	Decision to include within the scope of Identified Staff
Risk Manager -team leader-	Risk Control & Reports	<ul style="list-style-type: none"> • Ensure performance monitoring and risk control of managed funds • Organise the supervision of the managed funds department 	<ul style="list-style-type: none"> • Power to escalate alerts to the Risk Control & Reports Director who decides on any arbitrages • Power to arbitrate based on feedback from Risk Managers 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs or UCITS and of the Management Companies.	Yes
Quantitative engineer	Risk Control & Reports	<ul style="list-style-type: none"> • As part of Risk Control, implement valuation or risk management models to challenge counterparty price valuations • Implement risk monitoring models in connection with the regulatory obligations of institutional clients under mandate 	<ul style="list-style-type: none"> • Power to escalate alerts to the Risk Control & Reports Director who decides on any arbitrages • Power to arbitrate on the choice of models and choice of parameters for the supply of internal models. 	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs or UCITS and of the Management Companies.	Yes
Internal Control & Compliance Director	Internal Control & Compliance Department	<ul style="list-style-type: none"> • Work with the management company in the implementation of its risk management measures Organise system controls and monitor the implementation of action plans for the supervision of identified risk areas 	Power to decide on any arbitrage based on alerts raised regarding the failures of the Management Company or in the management of the fund in relation to its regulatory obligations or operational risks	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs and of the Management Companies.	Yes

Job title of the employee	Direction/Division to which the employee is attached	Objective of the position occupied by the employee	Description of the employee's decision-making power with regard to the position they occupy	Responsibilities relating to risk taking)	Decision to include within the scope of Identified Staff
Operational Risks/Data Protection Director	Operational Risks/Data Protection Department	<ul style="list-style-type: none"> • Work with the Management Company in the implementation of its operational risk management and data protection measures • Monitor the implementation of action plans for the supervision of identified risk areas 	Decision-making powers on the failures of the Management Company or in the management of the fund in relation to its operational risks and data protection	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the risk profile of managed AIFs and of the Management Companies.	Yes
Middle Office Director	Middle Office	<ul style="list-style-type: none"> • Supervise the operational and administrative coordination of transaction processing • Management of relations with service providers 	Power to raise the alert on the failures of the Management Company or in the management of the fund	The functions performed, the degree of responsibility and the professional activities of the employee are likely to have a significant impact on the operational functioning of managed AIFs and of the Management Companies.	Yes

ANNEX III: Quantitative/qualitative employee assessment criteria
Criteria relating to La Française Asset Management

Roles	Quantitative criteria	Qualitative criteria
Management	<ul style="list-style-type: none"> • Ranking of team/employee funds in peer groups; • Morningstar ranking; • Relative performance compared to the benchmark fund; • Compliance with risk envelopes and internal guidelines; • Performance fee envelope; • Awards and Place Recognition; • Collection of the team's expertise; • Success in Calls for Tenders. 	<ul style="list-style-type: none"> • Integration and compliance with regulatory constraints, ratios, observance of compliance rules; • Integration of sustainability risks in investment decisions and monitoring of set guidelines • Active cross-sector contribution to the management process and to the various committees; • Contribution to development through customer meetings, support to La Française Group's sales teams, roadshows; • Contribution to product innovation; • Cross-sector contribution to initiatives and projects of the La Française Group; • Management quality.
Risk control	<ul style="list-style-type: none"> • Technical contribution to calls for tenders; • Technical contribution to regulatory reports • Proposals for the development of processes, methodologies, etc.; • Timing and content of returns on fixed objectives; • Relevance and responsiveness to risk alerts. • Number of incidents 	<ul style="list-style-type: none"> • Consideration of regulatory constraints; • Monitoring the compliance of the funds' commitments in terms of sustainability • Good integration of client specifications and internal risk guidelines; • Contribution to product innovation; • Contribution to cross-sector initiatives and projects of the La Française Group; • Management quality.
Compliance/ Internal control/ Operational risks	<ul style="list-style-type: none"> • Implementation of the inspection plan concerning major risks, as validated with the General Management; • Follow-up of recommendations. • Number of incidents 	<ul style="list-style-type: none"> • Ability to identify and manage Management Company risks with the implementation of escalation procedures; • Ability to challenge the Management Company's operational roles based on the regulatory obligations and procedures of the Management Company; • Quality of controls and reports on these controls; Responsiveness, and ability to form proposals; • Contribution to the funds' due diligence process; • Team spirit and transparency/sharing of good practices; • Ability to manage their team. • Development and updating of risk maps

<p>Middle Office Director</p>	<ul style="list-style-type: none"> • Service provider KPIs • Relevance of alert analysis and responsiveness • Counterparty claims • Management of accounting and financial information flows with service providers and various counterparties • Accurate, non-misleading fund financial statements 	<ul style="list-style-type: none"> • Cross-sector contribution to initiatives and projects of the La Française Group • Ability to challenge management teams • Team spirit and transparency/ sharing of good practices; • Ability to manage their team. • Participation in the structuring of costs • Compliance with procedures and regulations
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Criteria relating to La Française Real Estate Managers

Roles	Quantitative criteria	Qualitative criteria
<p>Real estate and/or financial management</p>	<ul style="list-style-type: none"> • Physical and financial occupancy rate; • SCPI (equiv. REIT) and OPCV (real estate collective investment undertakings) performance benchmark; • Real estate performance benchmark (IPD); • Achievement of investment, arbitrage and construction objectives • Compliance with work budgets • Achievement of real estate financing volume and rate objectives • Assurance that SRI labels are obtained and maintained where applicable. 	<ul style="list-style-type: none"> • Scoring of prospective tenants; • Quality of information produced for partners; • Qualitative compliance with the investment policy and defined arbitrage • Compliance with work performance objectives • Compliance with the manager's internal rules in terms of prevention and management of legal risks and compliance; • Integration of sustainability risks in investment decisions • Quality of management practised; • Level of contractual commitment.
<p>Risk control</p>	<ul style="list-style-type: none"> • Technical contribution to calls for tenders; • Technical contribution to regulatory reports • Proposals for the development of processes, methodologies, etc.; • Timing and content of returns on fixed objectives; • Relevance and responsiveness to risk alerts. 	<ul style="list-style-type: none"> • Consideration of regulatory constraints; • Monitoring the compliance of the funds' commitments in terms of sustainability • Contribution to product innovation; • Contribution to cross-sector initiatives and projects of the La Française Group; • Management quality.
<p>Compliance/ Internal control/ Operational risks</p>	<ul style="list-style-type: none"> • Implementation of controls as validated with the General Management • Follow-up of recommendations 	<ul style="list-style-type: none"> • Ability to identify and manage Management Company risks with the implementation of escalation procedures

		<ul style="list-style-type: none"> • Ability to challenge the operational functions of the Management Company based on the regulatory obligations and procedures of the Management Company. • Quality of controls and reports on these controls • Responsiveness, and ability to form proposals • Team spirit and transparency/ sharing of good practices • Ability to manage their team • Development and updating of risk maps •
<p>Middle Office Director</p>	<ul style="list-style-type: none"> • Production of accurate, non-misleading fund and company financial statements • Management of accounting and financial information flows with various counter-parties or service providers • Compliance with tax obligations of funds and companies, tax audits Compliance with production schedules for financial statements and declarations 	<ul style="list-style-type: none"> • Cross-sector contribution to initiatives and projects of the La Française Group; • Compliance with applicable internal rules in terms of management and compliance • Responsiveness, and ability to form proposals • Team spirit and transparency/ sharing of good practices • Ability to manage their team

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

Nature of behaviour	Degree of gravity of behaviour	Frequency of behaviour	Impact on remuneration	
			Penalty	Restitution
Excessive risk-taking	Any behaviour exposing: <ul style="list-style-type: none"> The asset management company to an unusual and significant risk One or more funds to significant risk not provided for by the risk monitoring policy of said Funds, including sustainability risks 	Once	YES	NO
False declaration	False declaration resulting in either a significant reprocessing of the company's financial results or a reputational risk	Once	YES	YES
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.	Once	YES	YES
	The employee is dismissed on genuine and serious grounds, gross misconduct or wilful misconduct	Once	YES	NO
Serious technical error	Remuneration was based on flawed performance metrics	Once	YES	NO
Non-detection of risks	The employee, inappropriately or through gross negligence, has failed to identify, as might reasonably be expected in the light of his or her duties, major risks including sustainability risks	Once	YES	NO

The amounts of penalties and restitution of bonuses will be submitted to the Group Remuneration Committee on the proposal of the General Management