

MANAGEMENT COMPANIES REMUNERATION POLICY

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1. GOVERNANCE AND REMUNERATION STRATEGY

The purpose of La Française Group's management companies remuneration policy is to govern the application of the principles relating to the remuneration of all members of staff of the management companies authorised by the Autorité des Marchés Financiers, France's financial markets supervisor. The Group also has a remuneration policy dedicated to the distribution entity authorised by the Autorité de Contrôle Prudentiel et de Résolution, France's prudential supervision and resolution authority.

The Group ensures compliance with its remuneration policy – a source of value and motivation for its teams – and that remuneration is awarded fairly at equivalent levels of function and responsibility. Ensuring fairness is a factor both in recruitment and over the term of employment contracts, and more particularly concerns equal pay for men and women.

The policy actively contributes to attracting new talent and retaining and motivating the management companies' employees, as well as to their long-term performance.

The Group's Supervisory Board reviews and approves the remuneration policy, assisted by the Group Remuneration Committee and the Group Entities' Remuneration Committee.

The Group Remuneration Committee is responsible for La Française Group's remuneration principles as regards the overall amounts and components (cash bonuses and bonus share awards) of the various bonus pools. Each year it reviews and rules on the policy's various elements, and sets the remuneration of the members of La Française Group's management board, the heads of the Group's business lines and the heads of its control functions.

The role of the Group Entities' Remuneration Committee is to review the remuneration of all La Française Group's staff, entity by entity, within the limits of the amounts that the Group Remuneration Committee sets.

The policy is designed in such a way as to prevent conflicts of interest. It promotes proper and effective risk management and discourages risk-taking that would be incompatible with the risk profiles, regulations and articles of incorporation of the AIFs or UCITS managed by the management companies, or with the interests of the management companies' clients.

2. PRINCIPLES RELATING TO THE SETTING OF REMUNERATION

The remuneration applicable to all staff consists, as a minimum, of a fixed portion in consideration of the employee's ability to perform his or her job satisfactorily.

This part of the remuneration may be supplemented by a variable portion awarded to compensate the employee concerned for their individual performance, contributions and behaviour, the performance of the operating unit to which he or she belongs and the results of the management companies as a whole.

An appropriate balance must be struck between the fixed and variable portions of the employee's overall remuneration.

The variable portion of remuneration is awarded for the financial year in question based on qualitative and quantitative criteria tailored to the functions performed. The payment of deferred amounts is subject to compliance with given presence conditions and the application of an ex post risk adjustment measure.

Note that staff engaged in control functions who are entitled to receive a variable portion of remuneration will be remunerated based on their achievement of the objectives related to their functions, independently of the performance of the management companies that they monitor.

Bonus pool system

With the exception of New Alpha Asset Management, the management companies have opted for a global variable remuneration package, or "bonus pool". This bonus pool is calculated based on the Group's consolidated gross operating income.

The bonus pool is allocated on a discretionary basis within each business line based on the collective targets set. It is then divided among the individual employees based on their achievement of the objectives set.

Bonus share awards

The individual bonus may be supplemented by a bonus share award.

This takes the form of an annual bonus share award system that the Group has set up and which is open to Group management companies.

The annual awarding of bonus shares is reserved for a target population within the Group. The full list of beneficiaries and the quantities awarded are subject to the approval of the Remuneration Committee's chairman.

The gain associated with this form of variable remuneration can only be realised after a vesting period and, in some cases, a holding period, totalling between two and four years. It is also conditional on the employee being present until the end of the vesting period.

3. PRINCIPLES APPLICABLE TO IDENTIFIED STAFF – DEFERMENT AND INDEXING CONDITIONS

"Identified Staff" means members of staff of the management companies, including members of general management, risk takers and control function staff, as well as any employee who, in view of his or her overall remuneration, falls within the same remuneration bracket as general management and risk takers and whose professional activities have a substantial impact on the risk profile of the management companies or those of the AIFs or UCITS that they manage.

The management companies have put in place a specific system for the variable component of the remuneration of Identified Staff:

Variable portion awarded under or equal to a threshold set by the Group Remuneration Committee

Variable remuneration under this threshold will be paid in full in cash and/or through the awarding of bonus shares in La Française Group.

Variable portion awarded above the threshold set by the Group Remuneration Committee

For any variable remuneration exceeding this threshold, the first 50% will be paid in cash. The remaining 50% (the "Deferred Tranche") will be subject to gradual vesting staggered over three one-year periods, and will be indexed.

These conditions are applicable for each euro awarded.

The indexation factor represents the performance of a basket of funds or investment products over the indexation period. This performance will be equal to the equally weighted average performance of the chosen funds, with a fund's performance being measured in relation to the objective set out in its prospectus or to a given reference point.

For the portion of this 50% composed of bonus shares, given that bonus shares are of themselves a deferral instrument, these shares will be definitively awarded after a vesting period of between 24 and 30 months following the announcement of the variable remuneration.

4. PENALTY AND REPAYMENT MEASURES

The vesting or payment of the deferred part of the variable remuneration, excluding bonus shares, is subject to compliance with conditions that depend on criteria relating to the management companies' results and with the risk control framework, as well as the compliance of the operating unit's business and, where applicable, individual criteria as well as a condition of continued employment. The Remuneration Committee sets these conditions annually and explains them in detail to the employees considered when awarding this remuneration.

Certain behaviours may give rise to the imposition of penalties or the repayment of remuneration.

Penalty system

Any behaviour that the management companies' general management deems unacceptable may lead to the application of a penalty, as may any behaviour that could expose:

- the management companies to an abnormal and significant risk;
- or one or more managed funds (in the case of fund managers) to a significant risk not covered by the risk monitoring policy of the funds concerned.

The penalty is only applicable to Identified Staff.

Repayment system

In certain particularly serious circumstances defined by the Remuneration Committee and in accordance with applicable laws and regulations, an employee may enter into a contractual agreement with a management company by which the former agrees to return ownership of an amount of remuneration to the latter. If this repayment results from risks taken, it is a form of ex post risk adjustment.

This practice is only applicable (i) in cases of fraudulent behaviour and/or the manager's intentional breach of the risk monitoring rules of the relevant AIFs and/or UCITS, (ii) not detected before or at the time of the awarding of the variable component of remuneration for the financial year concerned and (iii) having directly caused losses at the level of the relevant AIFs and/or UCITS that exceed the materiality thresholds set. The various behaviours giving rise to the application of a repayment measure are identified and monitored by the control functions, assisted by the human resources department.

5. NON-CIRCUMVENTION OF THE POLICY

Employees undertake not to use personal hedging strategies or remuneration or liability insurance to counter the impact of the risk alignment embedded in their remuneration agreements.