Total Remuneration Policies

The following provisions of the General Regulation of the *Autorité des Marchés Financiers* are applicable:

Article 319-10

I. - When establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for those categories of staff referred to in Article L. 533-22-2 of the Monetary and Financial Code, asset management companies shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organization and the nature, scope and complexity of their activities:

1° The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFs they manage;

2° The remuneration policy is in line with the business strategy, objectives, values and interests of the asset management company and the AIFs it manages or the unit and shareholders in such AIFs, and includes measures to avoid conflicts of interest;

3° The management body of the asset management company, in its supervisory function, adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation;

4° The implementation of remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the management body in its supervisory function;

5° Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;

6° The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee;

7° Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the asset management company. When assessing individual performance, financial as well as non-financial criteria are taken into account;

8° Assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIFs managed by the asset management company, in order to ensure that it is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the redemption policy of the AIFs it manages and their investment risks;

9° Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year;

10° Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration;

11° Payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;

12° The measurement of performance, when used to calculate individual or collective variable remuneration components, includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

13° Subject to the legal structure of the AIF and its rules or instruments of incorporation, a substantial portion, and in any event at least 50% of any variable remuneration consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, unless the management of AIFs accounts for less than 50% of the total portfolio managed by the asset management company, in which case the minimum of 50% does not apply.

The instruments referred to in this paragraph shall be subject to an appropriate retention policy designed to align incentives with the interests of the asset management company and the AIFs it manages and the unit or shareholders of such AIFs.

14° Payment of a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned. This portion is fairly proportionate to the nature of the risks of the AIF in question.

The period referred to in the previous paragraph shall be at least three to five years unless the life cycle of the AIF concerned is shorter. The remuneration payable under deferral arrangements vests no faster than on a pro-rata basis.

In the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred;

15° The variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the asset management company as a whole, and justified according to the performance of the business unit, the AIF and the individual concerned.

The total variable remuneration shall generally be considerably reduced where subdued or negative financial performance of the asset management company or of the AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or claw back arrangements;

16° The pension policy is in line with the business strategy, objectives, values and long-term interests of the asset management company and the AIFs it manages.

If the employee leaves the asset management company before retirement, discretionary pension benefits shall be held by the asset management company for a period of five years in the form of instruments defined in point 13. In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point 13, subject to a five-year retention period;

17° Staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements;

18° Variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of the legislative and regulatory provisions applicable to asset management companies.

II. - The principles set out in paragraph I shall apply to remuneration of any type paid by the asset management company, to any amount paid directly by the AIF itself, including carried interest, and to any transfer of units or shares of the AIF, made to the benefits of those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on their risk profile or the risk profiles of the AIF that they manage.

III. - Asset management companies that are significant in terms of their size or the size of the AIFs they manage, their internal organization and the nature, the scope and the complexity of their activities shall establish a remuneration committee. The remuneration committee shall be constituted

in a way that enables it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk.
The remuneration committee shall be responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk and risk management of the asset management company, or the AIF concerned and which are to be taken by the management body in its supervisory function. The remuneration committee shall be chaired by a member of the management body who does not perform any executive functions in the asset management company concerned. The members of the remuneration committee shall be members of the management body who do not perform any executive functions in the asset management company concerned.

Procédure

The remuneration mechanisms are set up to align the risks taken by the employees with those of the management company, its investors and the vehicles managed. They promote a professional behavior in accordance with the standards defined in the internal Code of Ethics of the management company and consider both qualitative and quantitative criteria in determining the variable component of the remuneration to guarantee the primacy of the interests of investors, in accordance with the provisions of Article 5 of the Sustainable Finance Disclosure Regulation (SFDR).

They are defined by the Managing Board of the management company and validated, prior to their implementation, by the Supervisory Board in its role as a remuneration committee.

They are determined as follows:

Employees holding the positions listed in paragraph I of article 533-22-2 of the Monetary and Financial Code and composing the Identified Personnel ("**Identified Personnel**") as defined by the Managing Board of the management company receive a fixed remuneration determined according to their position, their level of responsibility and professional experience.

They are entitled to receive, for a given accounting period (the "**Accumulation Period**"), a discretionary variable remuneration determined on the basis of both the qualitative and quantitative assessment of their performance as set in a multi-year framework and the management company's annual results for such Accumulation Period.

A portion of variable remuneration component defined for the Accumulation Period is subject to a deferral mechanism.

The deferral period during which the variable remuneration component is retained at the end of the Accumulation Period (the "**Reporting Period**") is set at thirty-six (36) months.

The period between the end of the Accumulation Period and the payment of the first part of the deferred portion of the variable remuneration component shall be twelve (12) months.

Payment of the deferred portion of the variable remuneration component is processed according to the following schedule:
- twelve (12) months after the end of the Accumulation Period
- twenty-four (24) months after the end of the Accumulation Period
- thirty-six (36) months after the end of the Accumulation Period

The implementation of the remuneration policy is subject to an annual post-audit by the Supervisory Board, in its supervisory functions, for compliance with regulations, policies and procedures.