



## Remuneration Policy

March 2018

The remuneration policy is defined by the General Management of Ossiam. It receives the contribution of the control functions in order to ensure its compliance with the applicable standards and regulations.

The remuneration policy is adopted by the remuneration committee of the management company set up by the members of the Supervisory Board and the general principles of this policy are reviewed at least once a year by the remuneration committee.

The remuneration policy is designed to be aligned with the economic strategy and long-term objectives, the values and interests of the company and of the funds under management and with those of investors, with sound and well-controlled risk management.

The implementation of the remuneration policy is, at least once a year, tested for compliance with the adopted policies by the Chief Compliance Officer.

Each employee is eligible to all or part of the following elements of the remuneration package, depending on its responsibilities:

- Fixed compensation/remuneration : defined based on permanent missions, responsibilities and permanent achievements of the job,
- Individual variable remuneration : rewarding individual contribution to the collective performance,
- Collective variable remuneration: sharing the financial performance generated by Ossiam.

Guaranteed bonuses are prohibited, except, in case of recruitment. In this case, the guarantee is strictly limited to one year.

A strict separation between fixed and variable remuneration exists within Ossiam. The two types of remuneration are not interconnected.

Individual variable remuneration awards/allowance is discretionary, based on an assessment of the individual performance by managers on the basis of:

- o Objective criteria, both quantitative and qualitative
- o including, depending on the function, an appropriate short to long term time scale
- o and assessing the compliance with risk limits and the client's interests

Criteria taken into account to determine the bonus depending on the position:

Métiers	Quantitative Criteria	Qualitative Criteria
Investment management	<ul style="list-style-type: none"> <li>✓ RI/Sharpe over 1 and 3 years</li> <li>✓ Gross/net performance of the funds over 1 and 3 years</li> <li>✓ Competitive ranking</li> <li>✓ Net inflows / Successful requests for proposals, mandates</li> </ul>	<ul style="list-style-type: none"> <li>✓ Compliance with risk guidelines and legal constraints</li> <li>✓ Quality of management</li> <li>✓ Innovation/product development</li> <li>✓ Collaboration/Sharing of best practices</li> <li>✓ Commercial commitment</li> </ul>
Sales	<ul style="list-style-type: none"> <li>✓ Inflows</li> <li>✓ Profitability of inflows</li> <li>✓ Market share</li> </ul>	<ul style="list-style-type: none"> <li>✓ Joint consideration of Ossiam's interests and of client's interests</li> <li>✓ Securing/developing the business</li> <li>✓ Client satisfaction</li> <li>✓ Quality of management</li> <li>✓ Cross-functional approach and sharing of best practices</li> <li>✓ Entrepreneurial spirit</li> </ul>
Control	<ul style="list-style-type: none"> <li>✓ Depending on the projects and objectives</li> <li>✓ Management/optimization of expenses</li> </ul>	<ul style="list-style-type: none"> <li>✓ Depending on the projects and objectives</li> <li>✓ Quality of controls</li> <li>✓ Compliance with regulations and consideration of client's interests</li> <li>✓ Quality of management</li> <li>✓ Collaboration/Sharing of best practices</li> </ul>

All UCITS managed by Ossiam are systematically managed index funds. Funds follow indices whose calculation methodologies are transparent, public and stable. The value of the indices is calculated and published by index providers. The tracking difference between the fund and the index is measured on a daily basis by Ossiam's risk management and control teams and must comply with strict limits as set out in the prospectus. Thus, in view of these factors, Ossiam considers that having the remuneration of the identified staff partly indexed on the performance of a basket of UCITS managed by Ossiam is not required.

- a. The highest bonuses are partly deferred over a 3-year period and paid subject to the employee meeting some performance conditions and not taking any excessive risk over the period. The deferred amount will be deferred per third over three years. The deferral scale depends on the employee qualifying as 'identified staff' and complies with the applicable regulation.
- b. Each differed payment will be acquired subject to achievement of collective performance, absence of risky professional behavior and presence at the date of vesting. Not meeting these conditions can result in a decrease or loss of the deferred amount to be awarded.
- c. All employees qualifying as 'identified staff' will be monitored individually by the Chief Compliance Officer for his risky behavior. This monitoring is periodically reviewed by the General Management of the company ahead of the remuneration campaign in order to be taken into account for both the new compensation and the vesting of the deferred bonus tranches. In case of risk behavior, the reduction of the deferred bonus may be total.

Overview of the provisions applicable to individual variable remuneration:

Population	Deferral	Deferral Schedule	Presence Conditions	Individual vesting Conditions	Collective vesting Conditions
Non Identified Staff	None	N/A	No	N/A	N/A
Identified Staff	Per tranches calculated on the total individual variable pay <100 KE = 0% > 100 KE= 40% deferred at first euro	3 equal tranches over 3 years	Yes	Partial or total reduction of the deferred portion awarded in case of risky professional behaviors. Decision of the General Management	Partial or full automatic reduction of the deferred portion in the event that performance indicators set by Ossiam Supervisory Board are not met

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