

REMUNERATION POLICY

PREAMBLE

This remuneration policy has been prepared by Sycomore AM in accordance with the regulations resulting from Directives 2011/65/EC ('AIFM') and 2014/91/EC ('UCITS V'). Its purpose is to align the interests of investors, the management company and the management company's staff and promote sound and effective risk management of managed portfolios and the management company itself, taking into account the nature, scope and complexity of Sycomore AM's activities.

1. Principles relating to the determination and payment of remuneration for all employees

The remuneration paid to Sycomore AM staff comprises the following components at a minimum:

- Fixed remuneration;
- Variable remuneration, which rewards the individual and collective performance of the work units;
- Additional arrangements that are part of a general and non-discretionary policy at the management company level, whether in force or to be implemented, such as profit sharing, company savings plans (PEE) or collective and individual retirement savings plans or funds (PERCO, 'Article 39', 'Article 83').

Some staff members may, as applicable:

- Benefit directly or indirectly from an equity interest in Sycomore AM;
- Benefit from the provision of housing or a housing allowance.

An appropriate balance shall be established between the fixed and variable components of employees' total remuneration. In all cases, fixed remuneration represents a sufficiently high proportion of the total remuneration to allow for a fully flexible policy on variable compensation, including the possibility of paying no variable remuneration.

The reference period used to assess employees, including Identified Personnel, and to measure their performance in determining variable remuneration is the calendar year (1 January 1st to 31 December).

2. Governance and remuneration control

The compensation policy is defined and adopted by the management company's senior management after consultation with the director of human resources and the head of compliance and internal control.

The implementation of the compensation policy is subject to an internal assessment at least once a year by the head of compliance and internal control, who checks that this implementation complies with the remuneration policy and the procedures adopted by senior management.

A remuneration committee meeting is arranged once a year with the chairman and chief executive officer of Sycomore AM and two members who are not Sycomore AM employees, one of whom chairs the committee. The purpose of this committee is to perform an annual review of the remuneration policy's implementation and to provide advice to senior management on the policy's definition or implementation.

3. Identified Personnel

Some staff members are identified herein as 'Identified Personnel.' In accordance with the regulations in force, Identified Personnel includes employees whose professional activity can have a material impact on the risk profile of the management company and/or the products it manages as a result of their decisions.

The scope of the Identified Personnel is determined by the human resources department and validated by the compliance and internal control manager. It is then approved by the management company's senior management.

The Identified Personnel includes:

- Members of senior management;
- Portfolio managers and traders;
- Investor relations managers (senior management overseeing sales and marketing teams);
- The human resources director;
- Operational managers;
- The head of compliance and internal control;
- The head of risk control;
- Staff members whose total remuneration falls within the same remuneration bracket as the above-mentioned employees and whose activities may influence the risk profile of the management company or the products it manages.

4. Determination of theoretical amounts of variable remuneration

At the end of each financial year Sycomore AM determines the value added created by the company in order for it be fairly distributed, after taxes, among employees on the one hand and the company - in order to finance its development - on the other. This value added is determined on the basis of the management fees collected on the portfolios of the UCIs under management, from which all expenses, other than salaries borne by the management company, are deducted. A percentage of this value added constitutes the total remuneration budget (fixed and variable).

Once this total remuneration budget is calculated, all employees are subject to an annual appraisal in January, at the end of which a theoretical amount of individual variable remuneration is determined, within the limits of the total variable remuneration budget. This appraisal, in the case of all staff, is based on the assessment of key performance indicators previously proposed by work unit managers and approved by an expanded management committee.¹

4.1 Variable remuneration of UCI managers and analysts

Staff engaged in management and/or financial and/or non-financial analysis functions are remunerated according to the achievement of the objectives linked to their functions and the management company's overall results, assessed through value added.

As such, the following are taken into account:

- The proportion represented by each managed portfolio in the management company's value added over the calendar year;
- The three-year (or less if the portfolio is managed for less than three years) ranking of each managed portfolio within a comparison universe determined by senior management at the beginning of each calendar year;
- Individual qualitative contribution (stock monitoring, suggestions for improvement, quality of analysis, availability for clients, contribution to the management company's cross-functional work, management, etc.);
- Compliance with internal regulations, procedures and organisational policies.

4.2 Variable remuneration for traders

Staff engaged in trading functions on behalf of portfolios under management are remunerated according to the achievement of the objectives linked to their functions and the management company's overall results, assessed through value added.

As such, the following are taken into account:

- The contribution of the trading desk to the optimisation of order processing with a view to better selection/execution;
- Individual qualitative contribution (quality of order handling, flow of information relating to order execution, proactivity, etc.);
- Compliance with internal regulations, procedures and organisational policies.

4.3 Variable remuneration for sales functions

¹ The expanded management committee is composed of the chairman and chief executive officer, the chief operating officers, the chief development officer, the human resources director, a representative of the sales teams, a representative of the management team and a representative of the control, risk, operations and systems teams.

Staff engaged in sales functions are remunerated according to the achievement of the objectives linked to their functions and the management company's overall results, assessed through value added.

As such, the following are taken into account:

- Net inflows, customer diversification, market share gains, etc.;
- Individual qualitative contribution (quality of responses to calls for tender, expression of internal needs, client follow-up, contribution to the management company's cross-functional work, project participation/management, management, etc.);
- Compliance with internal regulations, procedures and organisational policies.

4.4 Variable remuneration for support functions

Staff engaged in support functions (marketing and communication, operations, information systems, human resources, etc.) are remunerated according to the achievement of the objectives linked to their functions and the management company's overall results, assessed through value added.

As such, the following are taken into account:

- Individual qualitative contribution (project participation/management, responsiveness and reliability, technical skills, contribution to the management company's cross-functional work, management, etc.);
- Compliance with internal regulations, procedures and organisational policies.

4.5 Variable remuneration for control functions

Staff engaged in control functions (compliance, internal control and risk control) are remunerated according to the achievement of the objectives linked to their functions and the management company's overall results, assessed through value added, independently of the individual performance of the controlled operating sectors.

As such, the following are taken into account:

- The individual qualitative contribution (quality of controls to ensure compliance with regulations and/or risk limits, quality of internal advice, project participation/management, responsiveness and reliability, technical skills, contribution to the management company's cross-functional work, management, etc.);
- Compliance with internal regulations, procedures and organisational policies.

5. Terms and conditions of payment of variable remuneration

For staff not belonging to Identified Personnel and for Identified Personnel whose variable remuneration determined during their appraisal interviews remains below the threshold determined in accordance with the conditions set forth in Article 6 of this policy, said variable remuneration shall become vested and payable only on the salary payment date in January.

For Identified Personnel, excluding those responsible for control functions whose variable remuneration determined during appraisal interviews exceeds the threshold set in accordance with the conditions set forth in Article 6 of this policy, the system applicable to variable remuneration is as follows:

- 50% of the variable remuneration due in respect of the appraisal interviews becomes vested and payable in cash on the salary payment date in January.

50% of the variable remuneration due will be paid gradually over the following three calendar years, on a pro rata basis, and will take a cash form indexed to indicators to verify that the interests of Identified Personnel are aligned with those of investors. This indicator comprises a UCI or basket of UCIs managed by Sycomore AM, according to each employee's choice. The composition of the UCI basket is reviewed by the compliance and internal control manager and approved by senior management.

For Identified Personnel responsible for control functions whose variable remuneration determined during their appraisal interviews exceeds the threshold established in accordance with the conditions set forth in Article 6 of this policy, the system applicable to variable remuneration is as follows:

- 50% of the variable remuneration due in respect of the appraisal interviews becomes vested and payable in cash on the salary payment date in January.

- 50% of the variable remuneration due will be paid gradually over the following three calendar years, on a pro rata basis, and take the form of a fixed cash payment.

An operational simplification measure may be implemented in relation to the indexation of the variable remuneration brackets to be paid, depending on the situation of each member of the Identified Personnel:

- for Identified Personnel working directly on managed portfolios (portfolio managers and traders) and for other Identified Personnel members, excluding control functions, the deferred portion may, upon request, not be indexed if the employee holds, directly or indirectly, an equivalent amount in units or shares of UCIs managed by Sycomore AM over the period corresponding to each remuneration bracket, the risk alignment already having been verified.

In all cases, any variable remuneration shall only be paid if it is compatible with the management company's financial situation as a whole and justified by the performance of the relevant business unit, portfolios and Identified Personnel concerned.

The portion of variable remuneration due but not yet paid may be reduced, if necessary, to zero in the event of a breach of internal regulations, internal code of ethics or internal procedures, excessive risk-taking in terms of financial management or business development, or fraudulent behaviour, by decision of senior management following advice from the control functions and the human resources department. Excessive risk-taking in terms of financial management means deliberately and manifestly overriding the legal or statutory constraints of UCIs, or the risk limits set by senior management, or the internal procedures aimed at ensuring the security of management operations, the primacy of clients' interests and the protection of the management company's long-term interests. Excessive risk-taking in terms of business development means deliberately and manifestly overriding the management company's legal obligations with regard to the promotion of UCIs, internal procedures aimed at ensuring the primacy of clients' interests, the quality of their information and the protection of the management company's long-term interests.

Identified Personnel are required to undertake not to use personal hedging strategies or remuneration- or liability-related insurance to counter the impact of the aforementioned provisions.

Variable remuneration shall not be paid through instruments or methods that facilitate the circumvention of the requirements of the regulations and this policy. Persons working on behalf of Sycomore AM in connection with a paid provision of staff by a third-party entity are subject to the provisions of this remuneration policy.

In the event of termination of the employment contract, the amounts of variable remuneration due but not yet paid will be paid if they correspond to performance achieved over time and do not reward failure.

Finally, an advance on salary, to be granted at the request of a staff member, must comply with the following conditions:

- Be one-time in nature and reasonable in relation to the individual's total remuneration;
- Be decided by senior management after consultation with the director of human resources and the head of compliance and internal control;
- Not have the purpose or effect of receiving in advance the equivalent of the amounts of remuneration not yet vested under the deferred payment scheme;
- Be fully repaid within twelve months.

6. Proportionality principle

In accordance with the regulations in force, it is specified that the system referred to in Article 5 applies only to Identified Personnel members whose variable remuneration exceeds a threshold set by senior management.

7. Guaranteed variable remuneration

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

8. Retention mechanisms

Notwithstanding the provisions of this policy, Sycomore AM remains free to grant, in an amount and in the form of its choosing, any cash or non-cash benefit, on an exceptional basis, to a member of staff in order to fulfil a retention objective.

9. Early termination of employment contracts

Payments related to the early termination of employment contracts correspond to performance achieved over time and are designed so as not to reward failure. Accordingly, the portion of variable remuneration due but not paid as of the date of termination of the employment contract will only be paid, in whole or in part, if it is compatible with the management company's financial position as a whole and justified by the performance of the relevant business unit, portfolios and Identified Personnel concerned.

10. Dissemination of the remuneration policy

The full remuneration policy is available to all Sycomore AM staff members. A summary of the policy is available online at www.sycomore-am.com.

