

Promepar AM Remuneration Policy (UCITS V/AIFM)

Background information:

Promepar AM manages UCITS and AIFs and is therefore subject to both the UCITS V and AIFM directives.

Promepar Asset Management is a subsidiary of BRED. BRED's remuneration policy applies to Promepar AM's employees, in accordance with the CRD IV Directive, in particular.

The ESMA Guidelines, reiterated by the AMF (Positions DOC-2016-14 and DOC-2013-11), state that in the case of a portfolio management company belonging to a credit institution, subject to Directive CRD IV, there will be several overlaps in terms of remuneration policy but in the event of an inconsistency, the portfolio management company's policy should comply with the provisions of the UCITS V Directive. This principle applies to the alignment of the employee's interests with those of unitholders, particularly for any deferred variable portion of the employee's pay.

The Board of Directors of Promepar AM has approved the principles of the Promepar AM Remuneration Policy and assumes responsibility for ensuring that the portfolio management company complies with UCITS V. In accordance with the principle of proportionality, the company does not have its own Remuneration Committee.

Identified staff, within the meaning of UCITS V: General Management, Portfolio Managers, RCCI (Head of Compliance and Internal Control" and Risk Controller

Principles

The objective of the remuneration policy is to promote the alignment of interests between the portfolio management company, its investors and its employees, along with sound and effective risk management. It does not encourage excessive risk-taking.

Variable remuneration is discretionary, based on individual performances (achievement of annual or multi-year targets set by the manager, realistic short and MLT financial or non-financial targets, satisfactory risk and compliance management results, observation of laws, regulations and internal procedures) and collective performances (level of AuM, net inflows, investor satisfaction, internal client satisfaction). The principles of Promepar AM's remuneration policy are based on fairness, engagement, competitiveness and cost discipline.

Variable remuneration may be nil.

The variable remuneration granted to the two executive managers and to employees is reviewed and validated by the Chairman of the Board of Directors of Promepar AM and by the Human Resources Division of BRED. Annual measures concerning the RCCI and Risk Controller are also subject to validation by the Head of Risks and Compliance of BRED Group.

In the event either Promepar AM or BRED generates a negative financial performance, or if the strength of BRED's financial position is compromised, no variable remuneration is granted, and only Promepar AM's Supervisory Board can decide otherwise. Employees who leave the company

(excluding cases of transfers within BRED Group or Groupe BPCE, retirement, no-fault dismissal or death) waive any bonuses (deferred or non-deferred) not already paid out at the date of their departure. Payment is made, however, in cases of internal transfers within Groupe BPCE, retirements, no-fault dismissals or death.

Any guaranteed variable remuneration, where it exists, only applies upon hiring and is limited to one year.

The portfolio management company has not established a discretionary pension policy (including for departures). The portfolio management company prohibits any coverage of pay changes incurred by payment instruments.

The company has requested to apply the proportionality principle under UCITS V to its employees, in order to limit deferred payment in financial instruments to variable remuneration exceeding €100k.

For identified staff receiving individual variable remuneration of more than €100k, 50% is paid in cash in the grant year in respect of the previous fiscal year, and 50% is deferred and payable in financial instruments in instalments of one-third over three years no earlier than 1st October of the three years following the grant year.

The financial instrument used by Promepar is cash, indexed to an indicator, which may be specific to each employee and comprises a basket of units in funds managed by the company. Each individual indicator is reviewed and validated by the Chairman of the Board of Directors of Promepar AM. In line with the practices in force at the BRED Group, indexing is capped at the interest rate paid out on BRED cooperative shares over the period of deferred payment under consideration. Final vesting of each deferred portion is subject to the aforementioned performance and financial solidity criteria, and to the individual's continued employment with the company.