

REMUNERATION POLICY

Approved by the Board of Directors on 21/06/2021

FOREWORD

In accordance with the regulation resulting from directives 2011/65/EC ("AIFM") and 2014/91/EC ("UCITS V"), Sycomore AM established this remuneration policy. Its objectives are to promote alignment of interests between investors, the management company and its staff, as well as sound and efficient risk management of managed portfolios and of the management company, taking into account the nature, scope and complexity of Sycomore AM's activities.

1. Principles for determining and paying remuneration for all staff

The remuneration of Sycomore AM staff shall consist of at least the following:

- A fixed remuneration;
- A variable remuneration, which rewards the individual and collective performance of the working units;
- Complementary schemes that are part of a general and non-discretionary policy at the level of the asset management company, in force or that will come into force, such as profit-sharing, participation, a corporate savings plan (French PEE), or collective or individual retirement savings plans (French PERCO, "Article 39", "Article 83").

Where appropriate, certain staff members may:

- Directly or indirectly benefit from a participation in the capital of Sycomore AM;
- Benefit from the provision of or payment for lodging.

An appropriate balance is established between the fixed and variable portions of the overall remuneration of staff. In any case, fixed remuneration represents a sufficiently high proportion of the overall remuneration so that a fully flexible policy can be exercised in respect of variable remuneration, including the possibility of paying no variable remuneration.

The reference period for the evaluation of staff, including Identified Staff, for the measurement of their performance for variable remuneration corresponds to the calendar year (1 January to 31 December).

The Remuneration Policy is determined in such a way as to avoid situations of conflict of interest and to prevent the taking of risks deemed to be incompatible with the interests of Sycomore AM's clients.

2. Remuneration governance and oversight

The Remuneration Policy is defined and adopted by the general management of the asset management company, after consulting with the Director of Human Resources and the Head of Compliance and Internal Control.

The implementation of the Remuneration Policy shall be subject, at least once a year, to an internal assessment by the Head of Compliance and Internal Control, who shall verify that this implementation is consistent with the remuneration policy and procedures adopted by the general management.

A remuneration committee (hereinafter the 'Committee') meets once a year, with two members who are not Sycomore AM staff members, one of whom chairs the Committee. The role of this Committee is to review the implementation of the Remuneration Policy on an annual basis and to provide management with advice.

3. Identified Staff

Some staff members are referred to as "Identified Staff." In accordance with applicable regulations, Identified Staff shall include employees whose professional activity may have a significant influence on the risk profile of the asset management company and/or the products it manages, due to the decisions that they make.

The scope of Identified Staff is determined by the Human Resources Department and validated by the Head of Compliance and Internal Control. It is then approved by the general management of the asset management company.

Identified Staff shall include:

- Members of general management;
- Portfolio managers and traders;
- Heads of investor relations (senior management of the sales and marketing teams);
- Director of Human Resources;
- Operational Managers;
- Head of Compliance and Internal Control;
- Head of Risk Control;
- Staff members whose overall remuneration is at the same level as the above staff and whose activities may influence the risk profile of the asset management company or products managed.

4. Determination of theoretical variable remuneration amounts

At the end of each financial year, Sycomore AM determines the added value created by the company, in order to ensure equitable sharing, after taxes and levies, between salaried employees, on the one hand, and the company on the other, to finance its development. This added value is based on the management fees levied on the asset management company's UCI portfolios, less the overall charges paid by the asset management company (excluding salaries). A percentage of this added value makes up the overall budget for remuneration (both fixed and variable portions).

Once this overall remuneration budget is calculated, all staff members are subject to an annual evaluation in January at the end of which a theoretical individual variable remuneration is determined, within the limits of the overall variable remuneration budget. For all employees, this evaluation is based on the assessment of key performance indicators previously proposed by the heads of the work units and validated by an extended management committee¹ and taking into account Sycomore AM's status as a company with a mission.

The rules for determining the theoretical amounts of variable remuneration are followed by a working group that meets three times a year and is composed of the following persons:

- Christine Kolb, Strategy & Development Director, effective manager appointed by the AMF and responsible for overseeing the control functions;
- Cyril Charlot, Deputy Chief Executive Officer and co-head of the management team;
- Emeric Préaubert, Chairman and Chief Executive Officer and co-head of the management team;
- Richard Yi, Chief Operating Officer;
- Amaury Eloy, Head of Human Capital.

This working group ensures that the following principles are respected:

- A rate of redistribution of added value to employees is set that is within a range of 30% to 40% of said added value;
- The allocation of the overall remuneration envelope between the various Sycomore AM departments is determined taking into account a principle of decreasing volatility: maximum for members of the management team, intermediate for sales, marketing and communication teams, moderate for functions related to controls, risks, operations and information systems;
- Based on the budget set for each department, each employee is set (i) fixed annual remuneration for the coming year and (ii) variable remuneration for the past year, in line with market practices;
- The overall remuneration ratio limited to a multiple of 25 of the median salary (after withholding tax) of the previous financial year is respected.

4.1 Variable remuneration for UCI managers and analysts

¹ The extended management committee shall consist of the Chief Executive Officer, Deputy Chief Executive Officers, the Development Director, the Human Resources Director, a representative of the sales team, a representative of the management team and a representative of the controls, risks, operations and systems teams.

Staff engaged in financial and/or non-financial management and/or analysis functions shall be remunerated in accordance with the achievement of their position's objectives and the overall results of the asset management company, which are measured through added value.

In this context, these include:

- The contribution of each portfolio to the asset management company's added value over the calendar year;
- The three-year ranking (or less if the portfolio is managed for less than three years) of each portfolio managed for a comparable investment universe as decided by the general management at the beginning of each calendar year;
- The individual qualitative contribution (monitoring of values, suggestions for improvement, quality of analysis, availability for customers, contribution to the cross-functional work of the asset management company, management, etc.);
- Effective consideration of environmental, social and governance criteria in line with Sycomore AM's corporate status;
- Compliance with regulations, procedures and internal organisational policies.

4.2 Variable remuneration for sales functions

Staff engaged in sales functions shall be remunerated in accordance with the achievement of their position's objectives and the overall results of the asset management company, which are measured through added value.

In this context, these include:

- Net inflows, customer diversification, gains in market share, etc.
- The individual qualitative contribution (quality of responses to calls for tenders, indication of internal needs, client follow-up, contribution to the cross-functional work of the asset management company, participation in/steering of projects, management, etc.);
- Compliance with regulations, internal organisational procedures and policies;
- The contribution to the achievement of Sycomore AM's objectives as a company with a mission.

4.3 Variable remuneration for support functions

Staff engaged in support functions (marketing and communication, operations, information systems, human resources, etc.) shall be remunerated in accordance with the achievement of their position's objectives and the overall results of the asset management company, which are measured through added value.

In this context, these include:

- The individual qualitative contribution (responsiveness and reliability, technical expertise, contribution to the cross-functional work of the asset management company, participation in/steering of projects, management, etc.);
- Compliance with regulations, internal organisational procedures and policies;
- The contribution to the achievement of Sycomore AM's objectives as a company with a mission.

4.4 Variable remuneration of control functions

Staff engaged in control functions (compliance, internal control and risk control) shall be remunerated in accordance with the achievement of their position's objectives and the overall results of the asset management company, which are measured through added value, regardless of the individual performance of the controlled operating sectors.

In this context, these include:

- The individual qualitative contribution (quality of controls to ensure compliance with regulation and/or risk limits, quality of internal advice, participating in/steering of projects, responsiveness and reliability, technical expertise, contribution to the asset management company's cross-functional work, management, etc.);
- Compliance with regulations, internal organisational procedures and policies;
- The contribution to the achievement of Sycomore AM's objectives as a company with a mission.

5. Terms and conditions of payment of variable remuneration

For staff members not belonging to Identified Staff and for Identified Staff whose variable remuneration proposed in the evaluation interviews remains below the threshold set out in Article 6 of this policy, this variable remuneration becomes acquired and payable only on the day of the payment of the January salary.

For Identified Staff, excluding those responsible for control functions, whose variable remuneration determined during the evaluation interviews exceeds the threshold determined under the conditions set out in Article 6 of this policy, the system applicable to variable remuneration is as follows:

- 50% of the variable remuneration due in respect of evaluation interviews becomes acquired and payable in cash on the day of payment of salaries in January.

50% of the variable remuneration due will be paid gradually over the next three calendar years, on a pro rata basis, and will be in cash indexed to indicators to verify the alignment of the interests of Identified Staff and investors. This indicator consists of a UCI or a basket of UCIs managed by Sycomore AM, to be chosen by each employee. The composition of the UCI basket shall be subject to an opinion from the Head of Compliance and Internal Control and validation by the general management.

For Identified Personnel responsible for the control functions, whose variable remuneration envisaged during the evaluation interviews exceeds the threshold determined under the conditions set out in Article 6 of this policy, the system applicable to variable remuneration is as follows:

- 50% of the variable remuneration due in respect of evaluation interviews becomes acquired and payable in cash on the day of payment of salaries in January.
- 50% of the variable remuneration due will be paid gradually over the next three calendar years, on a pro rata basis, and will be in cash.

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

- For Identified Staff that are directly involved in managing the portfolios (portfolio managers and traders) and for other Identified Staff, excluding control functions, the deferred portion may, on 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 of each tranche, as in which case the alignment of risks would have already been verified.

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

The portion of variable remuneration due, but not yet paid, may be reduced, if necessary to zero, in the event of non-compliance with internal regulations, the internal code of ethics or internal procedures, excessive risk-taking in terms of financial management or business development, or fraudulent behaviour, by decision of the general management after consulting the control functions and the Human Resources Department. Excessive risk-taking in terms of financial management shall be understood as a voluntary and evident breach of the legal or statutory constraints of the UCIs or the risk limits that would have been set by the general management or the internal procedures for the security of management operations, the priority of clients' interests and the preservation of the asset management company's long-term interests. Excessive risk-taking in terms of commercial development shall be understood as a voluntary and evident breach of the legal obligations of the asset management company in relation to the promotion of UCIs, the internal procedures to ensure the priority of clients' interests, the quality of their information and the preservation of the long-term interests of the asset management company.

The Identified Staff must commit themselves not to use personal or insurance hedging strategies linked to their remuneration or responsibilities to counter the impact of the previous provisions.

Variable remuneration is not paid through instruments or methods that facilitate circumvention of regulatory requirements and this policy. Persons working on behalf of Sycomore AM in connection with the provision of staff for consideration 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 the long term and do not reward failure.

Finally, an advance on salary, to be granted upon request by a staff member, shall comply with the following conditions:

- Be of an ad hoc and reasonable nature in view of the staff member's overall remuneration;
- Be decided by general management after consulting with the Director of Human Resources and the Head of Compliance and Internal Control;
- Does not have the purpose or effect of anticipating the equivalent of the amounts of remuneration not yet acquired under the deferred payment scheme;
- Be fully reimbursed within twelve months.

6. Proportionality principle

In accordance with the regulations in force, it is specified that the scheme referred to in Article 5 shall apply only to Identified Staff whose variable remuneration reaches or exceeds a reference threshold.

7. Guaranteed variable remuneration

Guaranteed variable remuneration is exceptional, applies only to the hiring of a new staff member, and is limited to the first year.

8. Retention mechanisms

Notwithstanding the provisions of this policy, Sycomore AM remains free to award, for an amount and in the form of its choice, any cash or non-cash benefit, on an exceptional basis, to a staff member in order to meet a retention target.

9. Early termination of the employment contract

Payments related to early termination of the employment contract correspond to performance over time and are designed specifically not to reward failure. Therefore, the portion of variable remuneration due but not paid on the date of termination of the employment contract will only be paid, in whole or in part, if it is compatible with the financial situation of the management company as a whole and is justified by the performance of the operational unit, the portfolios and the Identified Personnel concerned.

10. Integration of sustainability risks (including risks associated with climate change and biodiversity) into investment strategies for the determination of related remuneration

The investment strategies proposed by Sycomore AM are primarily socially responsible investment (SRI) strategies or taking into account Environmental, Social or Governance (ESG) criteria. The ESG selection methodology permeates all investment strategies, making it possible to integrate sustainability risks, including those associated with climate change and biodiversity.

This remuneration policy is adapted to take these risks into account, as the variable remuneration components of portfolio managers are partly linked to the integration of these ESG risks into management and to the contribution to Sycomore AM's corporate mission, which aims to develop a more sustainable and inclusive economy and generate positive impacts for all stakeholders of the management company.

11. Communication of the Remuneration Policy

The full Remuneration Policy is available to all Sycomore AM employees at the location F:\PROCEDURES\2_PROCEDURES CADRE. A summary of this policy is available at www.sycomore-am.com.