



Compensation policy

December 2024

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New Alpha Asset Management, société par actions simplifiée au capital de 2 435 540 €
450 500 012 RCS Paris · N° TVA: FR 18450500012 · Société de gestion de portefeuille agréée par
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1. Introduction

The La Française Group, as the main shareholder, brings together specialized management companies focused on specific areas such as securities and real estate, with a strong cross-functional organization centered around its clients.

This compensation policy (hereinafter referred to as the "Policy") aims to regulate the application of principles related to the compensation of all employees of NEW ALPHA ASSET MANAGEMENT "NAAM" by the Autorité des Marchés Financiers (hereinafter referred to as the "AMF"), (hereinafter collectively referred to as the "Management Company" or the "Entity").

The Group ensures that a compensation policy is in place to value and motivate its teams, and ensures that at equivalent job levels and responsibilities, compensation is awarded fairly. Fairness is upheld during recruitment and throughout the duration of employment contracts, with a particular focus on equal pay between men and women.

As a result, a convergence of remuneration practices has gradually been established within the Group, based on market practices and within the regulatory framework of remuneration policies. The principle of proportionality was also taken into account when the situation allowed for it.

According to the law 2016-1691 of 9/12/2016 regarding transparency, the fight against corruption, and the modernization of the economic life, no person can be subjected to discriminatory measures in terms of compensation for reporting wrongful acts.

In accordance with the provisions of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (hereinafter referred to as the "AIFM Directive"), Directive 2014/91/EU on fund managers of securities (hereinafter referred to as the "UCITS V Directive"), and European Regulation 2019/2088 on the publication of sustainability-related information, the Management Company is committed to establishing, implementing, and maintaining remuneration policies, procedures, and practices to promote sound and effective risk management, which is one of the pillars of the Management Companies' strategy. As a committed investor, New Alpha AM values long-term growth, fair distribution of generated value, and actively engages in necessary transitions related to climate and social issues. Our responsible corporate policy and sustainable investment, detailed in this document, embody these principles.

In this context, the Policy was developed based on the documents listed in Annex I.

2. Definitions

- "Supervisory Board" refers to the supervisory board of the Group.
- "General Management" refers to the overall management of the Group.
- "Executive Committee" refers to the executive committee of the Group.
- "Group Compensation Committee" refers to the compensation committee of the Group.

- Entities Committee" refers to the compensation committee for all employees of the La Française Group, entity by entity.
- Identified Personnel" refers to the members of the Management Company's staff, including members of the Management Board, "risk takers" and those in control functions, as well as any employee whose total remuneration places them in the same remuneration bracket as the Management Board and risk takers, and whose professional activities have a substantial impact on the risk profile of the Management Company or the risk profiles of the AIFs or UCITS they manage. These staff members are specifically listed in Annex II of the Policy.
- Internal Regulations" refers to the internal regulations of the Group Remuneration Committee and the Entities Committee, which describe their composition and operating procedures.

3. Remuneration Governance

General Provisions

The Policy takes into account the general organizational and operational requirements of the Management Company, as well as the nature, scope, and complexity of their activities.

The Policy actively contributes to attracting new talents, retaining and motivating the employees of the Management Company, and to their long-term performance.

The policy promotes a healthy and effective risk management and does not encourage taking risks that would be incompatible with the risk profiles, regulations, and constitutive documents of the AIFs or UCITS managed by the Management Company. The integration of sustainability risks into the remuneration policy and practices is detailed in Annex V.

The role of the General Management

The policy is regularly reviewed by the General Management in the event of strategic and/or organizational changes as part of the development of the Management Company, at least once a year.

The General Management is also responsible for implementing the Policy. This implementation of the Policy is subject to at least one internal, central, and independent evaluation conducted by the Remuneration Committee.

The role of the Supervisory Board of La Française Group

The Group's Supervisory Board is responsible for overseeing and adopting the implementation of the Policy. In carrying out its functions, it is assisted by the Group Remuneration Committee and the Entities Committee, which annually submit a report on remuneration, as well as by the control functions and the human resources management.

Role of the Group Remuneration Committee and the Entities Committee

The Group Remuneration Committee

The Group Compensation Committee is responsible for determining and implementing the necessary actions to ensure that Groupe La Française complies with regulatory obligations regarding compensation. It reports the findings of its work to the Management and the Supervisory Board.

Its main objective is to oversee the compensation principles of the La Française Group regarding the overall budgets of the different bonus pools. It determines the remuneration of the members of the executive board of the La Française Group, the heads of the business lines of the La Française Group, as well as those of the heads of the control functions, namely the head of the Internal Control and Compliance Department, the Risk and Reporting Department, the Real Estate and Non-listed Risks Department, and the Risk Management and Operational Risks Department.

The Group Remuneration Committee also has the task of ensuring that the Entities Committee (as detailed below) complies with the regulations related to the various businesses of the Group.

The Entities Committee

The Entities Committee is responsible for reviewing the remuneration of all staff members of the La Française Group, entity by entity, within the limits set by the Remuneration Committee. Among other things, it determines the remuneration of the RCCI.

His mission is to ensure that the terms of variable remuneration comply with the principles set by the remuneration policies within the regulations related to the various business activities of the entities. He ensures in particular that the bonus pool is properly respected.

The structure and operation of the two committees are outlined in two separate internal regulations.

The role of risk control and monitoring functions.

Designing functions for controlling and monitoring risks.

The current individuals responsible for risk control and monitoring functions are as follows:

- The risk manager of the La Française Group;
- The Director of Real Estate Risks and Non-Listed Assets
- The Director of Risk Control & Reporting (Securities);
- The Director of Internal Control and Compliance of the La Française Group;
- The Director of Internal Control and Compliance of the Business Group.
- The Compliance and Internal Control Managers (RCCI);
- The Director of Risk Management, Operational Risks, and Data Protection Officer (DPO);

The role of risk control and monitoring functions.

In accordance with the regulatory provisions applicable to management companies, especially to managers of AIFs or UCITS, the control and risk monitoring functions are involved in the review process of variable remuneration within the Management Company, and more specifically for Identified Staff.

In practical terms, risk control and monitoring functions contribute to:

- In the Personnel Identified selection process, this applies to both the activities involved and the determination of the specific positions within them.
- Reflecting on the methods of determining variable compensation packages while ensuring consideration of various risks, including sustainability risk, and maintaining the management company's ability to strengthen their own funds if necessary.
- The assessment of risk management and compliance of operations, including sustainability, by the relevant teams/employees, especially the risk takers, is important. This assessment is made possible through collaborative work sessions between the control and risk monitoring functions and other departments of the Management Company, providing them with a comprehensive view of the activity and its operating conditions.
- In developing deferred variable compensation schemes, as well as determining potential criteria for penalties.

The risk control and monitoring functions submit their proposals to the Remuneration Committee, which ensures that the risk control and compliance opinions are taken into account.

The role of the human resources management.

The Human Resources department of Groupe La Française is involved in the development and regular review of the Compensation Policy and contributes in the following ways:

- She conducts a review of the competitiveness of the Compensation Policy in the various job markets where the Group is present.
- She leads the annual individual compensation definition process and the evaluation process.
- She analyzes the salaries in relation to the achievement of quantitative and qualitative objectives.

The role of regular monitoring

The implementation of the Compensation Policy is subject to an independent evaluation at least once a year, either by the periodic control function of Crédit Mutuel Alliance Fédérale or by an external third party specialized in the field.

4. Guidelines for determining and paying salaries.

Several principles regarding compensation apply to all employees of the Management Company (3.1.). However, other principles apply only to Identified Personnel (3.2.).

Guidelines applicable to all staff members of the Management Company

The policy is designed to avoid situations of conflicts of interest and to prevent reckless or incompatible risk-taking with the interests of the company's clients.

There is no direct link between the compensation of the Management Company personnel primarily engaged in a particular activity and the compensation of other individuals primarily engaged in another activity, or the income generated by these other individuals, when a conflict of interest is likely to arise in connection with these activities.

Scope of the concept of remuneration

For the purpose of the Policy, the compensation for all employees of the Management Company consists of a fixed part that remunerates the employee's ability to satisfactorily perform their job.

However, for some employees of the Management Company, this portion of compensation may be supplemented by a variable component aimed at recognizing the individual performance of the employee, their contributions and behavior, the performance of the operational unit to which they belong, and the overall results of the Management Company.

In this case, a suitable balance is established between the fixed and variable components of the employee's total compensation.

In any case, the fixed portion of the remuneration represents a sufficiently high portion of the total remuneration for a fully flexible policy to be exercised regarding the variable portion of the remuneration, including the possibility of not paying any variable portion. Furthermore, the remuneration of the staff members of the Management Company aims to be motivating while being within the market average.

Principles applicable to the fixed part of the remuneration.

A collaborator's fixed remuneration takes into account their position and scope of responsibilities, in compliance with labor laws regarding equal treatment of employees. It also aims to reflect the level of experience, expertise, commitment, and specific knowledge of the collaborator.

The fixed remuneration includes the following elements, taking into account any applicable collective agreements: a fixed monthly salary paid in cash, any additional fixed salary or bonus to compensate for working abroad, and any non-discretionary non-performance-related benefits (company cars, etc.).

The fixed remuneration is subject to an annual review but may not necessarily be modified at that time. Any increase in fixed remuneration, as well as decisions regarding the promotion of collaborators, should take into account performance in terms of risk and compliance.

Principles applicable to the variable part of remuneration

Some collaborators of the Management Company may receive a variable part of remuneration based on their contribution to the performance of the Management Company.

It is specified that staff engaged in control functions, who would be allocated a variable portion of remuneration, will be remunerated based on the achievement of objectives related to their functions, regardless of the performance of the Management Company they control.

The Remuneration Committee ensures this, particularly when determining the objectives of the employees concerned, in consultation with their manager.

Preconditions for the allocation of the variable portion of remuneration

The allocation of the variable portion of remuneration for the relevant financial year is based on the qualitative and quantitative criteria listed in Annex III, and the payment of deferred amounts is subject to compliance with attendance conditions and the application of a risk adjustment measure post facto, as set out in 3.2, if applicable.

Determination of the amount of the variable portion of remuneration

The variable part of the remuneration that may be awarded to the employee will be communicated no later than the end of March of the following year (N+1), once the accounts for the relevant year (N) have been closed.

The cash payment of the variable remuneration will be considered as salary.

General principles

- Bonus system

The Management Company has chosen a global variable remuneration package that is based on the company's RBE.

This envelope is discretely distributed among each of the employees based on the achievement of the set objectives.

The variable portion allocated to the employee will be determined based on both quantitative and qualitative criteria (Annex III).

The allocation of a guaranteed variable portion of remuneration is exceptional and applies in the context of recruiting a new employee, and is limited to the first year.

The individual bonus may be supplemented by a free allocation of shares (AGA).

- Allocation of free shares

The annual allocation of free shares is reserved for a targeted population within the company. The full list of beneficiaries and the allocated amount are subject to approval by the chairman of the Compensation Committee and the Board of Directors of the Company.

The gain associated with this form of variable compensation can only be realized after a period (acquisition and possibly retention) ranging from two to four years. It is also conditioned on the employee's presence until the end of the acquisition period.

- Maximum proportion of the variable part of the remuneration (internal rule)

Individually, the proportion of the variable part of remuneration for the employees concerned, as a percentage of the fixed part, can go up to a maximum limit set by the Compensation Committee.

Quantitative / qualitative criteria for performance evaluation

The quantitative and qualitative criteria for evaluating performance depend on the position held by the employee. They are detailed in Annex III of the current remuneration policy.

Annual remuneration review procedures

The details of the annual remuneration review are communicated by the General Management to each member of the Executive Committee and the activity directors in a briefing note, along with the timeline for the decision-making process.

Members of the Executive Committee and activity directors formalize their proposals for remuneration for their teams within the framework of the defined Policy.

These proposals are carefully reviewed by the General Management and the human resources department to ensure compliance with the defined principles.

If the General Management deems it necessary, adjustments can be requested. This process is initiated at the beginning of January and is intended to be completed by the end of March each year.

Principles applicable to Identified Personnel

All employees of the Management Company are part of the remuneration process described in Article 3.1 of the Policy.

With this reminder, it is however specified that, in accordance with the provisions of the AIFM and UCITS V directives, the Management Company, as managers of AIFs or UCITS, have put in place a mechanism specific to the variable remuneration of the Identified Personnel members listed in Annex II of the Policy.

Mechanism applicable to the variable remuneration of the Identified Personnel members

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The applicable scheme for their variable remuneration will not apply to Identified Staff members if the total amount of this variable remuneration is less than a threshold of 100,000 euros set by the Remuneration Committee.

a) Variable part allocated in the range [0 ; 100 K€]:

The variable compensations of up to 100 K€ for the past fiscal year N will be fully paid in cash and/or in AGA allocation by the end of March N+1.

Variable compensations exceeding 100K€ are subject to the measures described below. These conditions apply from the first euro.

b) Variable part allocated in the bracket > 100 K€ for the year N:

For any variable compensation exceeding 100 K€, the first 50% will be paid in cash at the end of March N+1. The remaining 50% (Deferred Tranche) will be subject to a progressive acquisition over 3 periods of 1 year each, according to the following terms:

- **The first acquisition period starts on April 1st of year N+1 and ends on March 31st of year N+2.** The gross amount of variable compensation for year N, acquired at the end of this period, **is equal to one-third of the Deferred Tranche** multiplied by the indexing factor.
- **The second acquisition period starts on April 1st of year N+2 and ends on March 31st of year N+3.** The gross amount of variable compensation for year N, acquired at the end of this period, **is equal to one-third of the Deferred Tranche** multiplied by the indexing factor.
- **The third acquisition period starts on April 1st of year N+3 and ends on March 31st of year N+4.** The gross amount of variable compensation for year N acquired at the end of this period **is equal to one-third of the Deferred Tranche multiplied by the indexing factor.**

Given that:

- The indexing factor represents the performance of a basket of funds or investment products over the indexing period. This performance will be equal to the equally weighted average of the performances of the selected funds, considering that the performance of a fund is relative to the objective stated in its prospectus or a benchmark.
- Fund Basket or Investment Product" refers to a basket of AIFs and UCITS whose composition is decided by the Management Company for each relevant financial year in order to best comply with the requirements set by the AIFM and UCITS V Directives.

Subject to (i) the presence of the identified personnel in the company or group's workforce at that date and (ii) the non-application of a risk adjustment measure post-event in accordance with the principles described in section 3.2.2.

Penalty and restitution mechanisms

The acquisition or payment of the deferred portion of the variable compensation, excluding AGA, is subject to conditions based on criteria related to the results of the Management Company and compliance with the risk management framework and the compliance of the operational unit's activity, and, if applicable, individual criteria and a presence requirement. These conditions are set annually by the Compensation Committee and explicitly communicated to the employees considered for this compensation.

Furthermore, certain behaviors may result in the application of penalty or restitution mechanisms.

- Penalty system

The penalty only applies to the relevant employees (Identified Personnel).

The application of a penalty can be justified for any behavior deemed unacceptable by the management of the Management Company and/or that could expose:

- (i) The management company has an abnormal and significant risk.
- (ii) One or more of the managed funds (in the case of fund managers) are exposed to a significant risk not foreseen by the risk monitoring policy of the funds, including sustainability risks.

This assessment is implemented based on quantitative/qualitative criteria that are adapted to the functions performed by Identified Staff and clearly communicated to them. Different behaviors that may result in a penalty are identified and monitored by control functions, with the assistance of the human resources department (see Annex IV).

- Restitution mechanism

In certain particularly serious circumstances determined by the Remuneration Committee and in accordance with applicable legislation and regulations (including the provisions of the law n° 2019-486 of May 22, 2019 on the growth and transformation of companies, known as the Pacte law), a contractual agreement may be concluded between an employee and each management company, whereby the employee agrees to return to the company the ownership of a certain amount of remuneration. If this restitution is a result of risks taken, it is a form of ex post risk adjustment.

Furthermore, this practice is only applicable in cases of fraudulent behavior and/or intentional violation by the manager of the risk monitoring rules, including sustainability risks of the relevant AIFs/UCITS (ii) not detected before or at the time of the allocation of the variable remuneration for the relevant financial year and (iii) directly resulting in losses at the level of the relevant AIFs/UCITS that exceed the materiality thresholds set. The different behaviors leading to the application of a restitution mechanism are identified and monitored by the control functions, with the assistance of the human resources department (see Annex IV).

Paying out dividends

The dividend payment policy does not encourage employees to take risks that could harm the interests of the UCITS and AIFs managed by the company, as well as the investors in them, and thus facilitate the circumvention of the requirements arising from these provisions. (Judgment of the Court of Justice in case C-352/20)

5. Severance pay / replacement compensation / guaranteed variable compensation

Subject to applicable legal, regulatory, and/or contractual provisions, payments related to the early termination of an employment contract are designed in a way that does not reward failure.

Discretionary payments (i.e. payments beyond the legal or conventional compensation due under mandatory labor law provisions) related to the early termination of an employment contract or mandate will not be contractually fixed in advance (e.g. prohibition of golden parachutes). They are determined at the time of the employee's departure, taking into account the beneficiary's performance, assessed in relation to the collective performance of their activity and that of the entire company.

In the event of granting a guaranteed variable remuneration or replacement in the context of recruiting a new collaborator, it will be granted on an exceptional basis and limited to the first year of employment. The terms and conditions of any potential replacement remuneration beyond a certain amount and/or a certain level of seniority of the collaborator must be similar to the remuneration abandoned by the new collaborator.

6. Policy Modification

The Remuneration Committee reviews and decides annually on the various elements of the Policy.

It submits all its work to the General Management, which approves the Policy and its application for the fiscal year.

7. Non-bypassing of the Policy

Employees commit to not using personal cover-up strategies or insurance related to compensation or liability to counteract the impact of risk alignment incorporated in their compensation agreements.

The Management Company will not pay variable compensation to employees through instruments or methods that facilitate the bypassing of AIFM and UCITS V Directive requirements. The Management Company's Management Board ensures compliance with this principle.

8. Policy Publicity

Internal Publicity

The Compensation Policy is available to employees on the La Française Group's Intranet network. Employees are also informed of the policy and any relevant changes by their management during their annual performance reviews.

Outdoor advertising

The general principles of the Compensation Policy are freely accessible upon request by anyone who legitimately wishes to know them.

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Annex I: List of texts and documents on which the Remuneration Policy is based.

- The European Parliament and Council Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers;
- The 2014/91/EU directive on fund managers of securities.
- ESMA's guidelines on the remuneration policies for alternative investment fund managers (ESMA/2013/232) were published on July 3, 2013.
- The Monetary and Financial Code and the general regulations of the AMF.
- Guidelines on the remuneration policies for alternative investment fund managers (ESMA/2013/232) were published on March 3, 2013 and subsequently corrected.
- AMF Position No. 2013-11 on the remuneration policies applicable to AIF managers dated August 14, 2013;
- AMF published a guide on the remuneration of AIF managers on August 2, 2013.
- ESMA's Guidelines 2016/411 of 31 March 2016 titled "Guidelines on the remuneration policies applicable under the UCITS V and AIFM directives".
- Guidelines regarding good remuneration policies under the directive on Undertakings for Collective Investment in Transferable Securities (ESMA/2016/575-FR) published on October 14, 2016; and
- Approval files for the Management Company.
- [Law No. 2019-486 of May 22, 2019 on the growth and transformation of businesses](#), known as the PACTE law.
- Regulation (EU) 2019/2088 of 27 November 2019 on the publication of information on sustainability in the financial services sector

ANNEX II: List of Identified Personnel

Job title of the employee	Department/Division to which the employee is attached	Objective of the position held by the employee	Explanation of the decision-making authority of the employee in relation to the position they hold	Risk-taking attributions	Decision to integrate within the scope of Identified Personnel.
President / General Management	Responsible leader	Monitor the SGP	Decision-making power related to the role of responsible leader exercised	The roles, level of responsibility, and professional activities of the collaborator may have a significant impact on the risk profile and marketing of the managed AIFs or UCITS.	Yes
In charge of management	Management	Oversee the management of funds. Implementing management guidelines	Having decision-making power in the creation or modification of products and in shaping the management discourse. Decision-making power in the management of managed investment funds or mutual funds.	The functions performed, the level of responsibility, and the professional activities of the collaborator may have a significant impact on the risk profile and marketing of the managed AIFs or UCITS.	Yes
Head of management department	Management	Ensure the management of entrusted funds while respecting the management constraints and performance objectives set by the General Management. Contribute to the renewal and coherence of the product range	Decision-making power in the management of the managed AIFs or UCITS.	The functions performed, the level of responsibility, and the professional activities of the employee may have a significant impact on the operational functioning of the managed FIA and the Management Company.	Yes

Employee's job title	Employee's department/area of responsibility	Objective of the position held by the employee	Description of the employee's decision-making power in relation to the position held	Responsibilities related to risk-taking.	Decision to integrate within the scope of Identified Personnel.
Group Risk Director	Risk Management Department	Supporting the management company in implementing its risk management measures.	Having the power to make decisions on potential arbitrations based on feedback from Risk Managers.	The roles, level of responsibility, and professional activities of the employee may have a significant impact on the risk profile of the managed AIFs or UCITS and the Management Company.	Yes
Director of Real Estate Risks and Non-listed Assets	Risk Management Department	Supporting the management company in implementing its risk management measures.	Having the power to make decisions on potential arbitrations based on feedback from Risk Managers.	The roles, level of responsibility, and professional activities of the employee may have a significant impact on the risk profile of the managed AIFs or UCITS and the Management Company.	Yes
Risk Control & Reporting Director	Risk control and reporting	Supporting the management company in implementing its risk management measures. Manage the service supervision, ensure performance monitoring, and control the risks of the managed funds.	Having the power to make decisions on potential arbitrations based on feedback from Risk Managers.	The roles, level of responsibility, and professional activities of the employee may have a significant impact on the risk profile of the managed AIFs or UCITS and the Management Company.	Yes
Compliance & Internal Control Director	Compliance and Internal Control Direction	Supporting the management company in implementing its compliance and risk management measures. Coordinate the monitoring of the devices and track the implementation of action plans for.	Having the power to make decisions on potential arbitrations based on the alerts raised about the malfunctions of the Management Company or in the management of the fund in relation to its obligations.	The roles, level of responsibility, and professional activities of the employee may have a significant impact on the risk profile of the managed AIFs and the Management Company.	Yes

		the management of identified risk areas	regulatory or operational risks		
RCCI	Internal Compliance and Control Direction	Ensure that professional obligations and contractual commitments are respected in the course of carrying out activities and decisions made by the management team.	Ability to raise alerts about any malfunctions in the Management Company or in the management of the fund related to its regulatory obligations or operational risks.	The roles, level of responsibility, and professional activities of the employee can significantly impact the risk profile of the managed AIFs or UCITS and the Management Company.	Yes
Director of Operational Risks / Data Protection	Operational Risk Management / Data Protection	Supporting the management company in implementing its operational risk management and data protection measures. Monitor the implementation of action plans for the management of identified risk areas.	Authority to make decisions regarding the malfunctions of the Management Company or in the management of the fund related to operational risks and data protection.	The roles, level of responsibility, and professional activities of the employee may have a significant impact on the risk profile of the managed AIFs and the Management Company.	Yes
Middle Office Director	Middle office refers to the department within a financial institution that is responsible for risk management, compliance, and other support functions.	Oversee the operational and administrative coordination of processing operations. Managing relationships with suppliers	Ability to alert on any malfunctions in the Management Company or in the management of the fund.	The functions performed, the level of responsibility, and the professional activities of the employee may have a significant impact on the operational functioning of the managed FIA and the Management Company.	Yes

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ANNEX III: Quantitative / qualitative evaluation criteria for employees Criteria related to New Alpha Asset Management

Functions	Quantitative criteria	Qualitative criteria
Management	<ul style="list-style-type: none"> • Evaluation of the performance of the managed funds over the previous year and the last three years, based on the benchmarks of the underlying funds and the benchmarks of the fund of funds. • • Adherence to risk limits and internal guidelines; • Awards and recognition from Place; • Gathering information from the team's expertise; • Success in bidding. • Exclusion of the Group due to disrespect for politics • 	<ul style="list-style-type: none"> • Incorporating and adhering to regulatory constraints, ratios, compliance rules; ESG policy • Incorporating sustainability risks into investment decisions and monitoring the set guidelines. • Active cross-functional contribution to the management process and various committees. • Contribution to the marketing process and the entity's image • Promoting and spreading ESG management principles internally and externally. • • Contribution to product innovation, especially sustainable products; • Supervising the production of reports within reasonable deadlines. • Team spirit and transparency/sharing of best practices • Management quality.
Risk management	<ul style="list-style-type: none"> • Technical contribution to calls for tender; • Technical contribution to regulatory reporting • Suggesting improvements to processes and proposing changes. methods...; • Timing and content of feedback on set objectives; • The relevance and responsiveness of sustainability risk alerts. • Number of incidents 	<ul style="list-style-type: none"> • Consideration of regulatory constraints, including ESG constraints. • Monitoring the funds' commitment to sustainability. • The clients' requirements were well integrated. Internal risk guidelines; • Contribution to product innovation; • Contribution to cross-functional projects and initiatives at Groupe La Française. • Management quality.

Compliance/Internal Control/Operational Risks	<ul style="list-style-type: none"> • Implementation of the approved control plan with the General Management; • Following the recommendations. • Number of incidents 	<ul style="list-style-type: none"> • Ability to identify and manage the risks of the Management Company with implementation of escalation procedures; • Ability to challenge the operational functions of the Management Company based on regulatory requirements and the Management Company's procedures; • Quality of controls and reporting on these controls, including ESG controls. • Being responsive and able to make suggestions; • Monitoring regulatory constraints regarding sustainability.
		<ul style="list-style-type: none"> • Contribution to the due diligence process for funds; • Team spirit and transparency/sharing of best practices; • Ability to manage a team. • Incorporating dedicated checkpoints for sustainable finance into control plans. • Developing and updating risk maps.
Middle Office Director	<ul style="list-style-type: none"> • Key performance indicators for service providers • The importance of analyzing alerts and being responsive. • Counterpart claims • Managing the flow of accounting and financial information with service providers and various counterparts. • Accurate and non-misleading financial statements for the funds. 	<ul style="list-style-type: none"> • Contribution across the construction sites and projects of the La Française Group. • Ability to challenge management teams • Team spirit and transparency/sharing of best practices; • Ability to manage a team. • Respect for procedures and regulations

Annex IV: Behaviors that may result in a penalty or a refund.

Type of behavior	Severity of behavior	Behavior frequency	Effect on compensation	
			...	Repayment or compensation
Taking excessive risks	Any behavior that exposes: <ul style="list-style-type: none"> The UCITS to abnormal and significant risk One or more funds to a significant risk not foreseen by the risk monitoring policy of the said Funds, including sustainability risks 	Once	YES	No
False statement	Making a false statement that could lead to either a significant restatement of the company's financial results or a reputational risk.	Once	YES	YES
Professional misconduct	The employee behaved in a way that was harmful to the company, resulting in a significant financial impact or damage to the company's reputation.	Once	YES	YES
	The employee is dismissed for a genuine and serious reason, a serious or gross misconduct.	Once	YES	No
Serious technical error	The compensation was based on inaccurate performance measures.	Once	YES	No
No detection of risks	The employee, inappropriately or through serious negligence, did not identify, as could reasonably be expected given their role, major risks including in the area of... Sustainability	Once	YES	No

The penalty amounts and bonus clawback will be subject to the Group Remuneration Committee on the proposal of the General Management

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NEW ALPHA
ASSET MANAGEMENT

ANNEX V: Integration of sustainability risks into remuneration practices

OUR SUSTAINABLE INVESTMENT POLICY

La Française Group is convinced that there is no profitable investment that is not sustainable.

We prioritize environmental and social issues in our investment decisions.

We are fully committed and dedicated to promoting a more sustainable economy, and we are committed to implementing our responsible investment strategy across all of our different asset classes.

Our strategy aims to direct our capital allocation towards long-term energy transition while minimizing our carbon impact today. It also aspires to provide a sustainable investment solution and seeks to maximize long-term returns for our clients.

The compensation policy is fully aligned with La Française Group's practices in integrating environmental, social, and governance (ESG) factors into its third-party management activities.

The detailed remuneration practices below ensure the integration of sustainability risks within the remuneration policy of La Française Group.

INTEGRATION OF SUSTAINABILITY RISKS INTO THE REMUNERATION POLICY OF LA FRANCAISE GROUP

The Remuneration Committee validates the annual changes to the remuneration policy of the various entities of the Group. In accordance with the SFDR regulation on the publication of sustainability-related information, the Group is committed to establishing, implementing, and maintaining remuneration policies, procedures, and practices that promote sound and effective risk management, including sustainability risks.

Roles and responsibilities for sustainability have been defined for different internal functions, and objectives have been set. During the annual performance review, the various objectives, including those related to sustainability, are evaluated and determine the variable remuneration awarded to employees through a discretionary process.

The teams with specific sustainability objectives are as follows:

- **Managers** integrate sustainability risks into investment decisions and adhere to the guidelines set for any portfolio, and contribute to the innovation of sustainable products.
- **Risk Managers** ensure that the Funds' sustainability commitments are being followed.
- **The Internal Controllers** oversee regulatory constraints in Sustainability and integrate dedicated points for sustainable finance into control plans.
- **Salespeople** contribute to the growth of assets while respecting clients' constraints regarding return and risk, including sustainability risks.

- **Marketing managers** consider sustainability features in product innovation.
- **The Sustainable Investment Manager** at the Group level, a member of the Executive Committee, ensures the coherence of the approach between the guidelines set by the Board of Directors and its implementation within the Management Company.

For employees whose variable compensation is subject to a deferral, a malus or clawback system may apply if the employee exposes the Group or one of its companies to abnormal or excessive risk, or if they subject one or more Funds to a significant risk not foreseen by their risk monitoring policy, including sustainability risks.