



CARMIGNAC GESTION SA

REMUNERATION POLICY

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1 GENERAL PROVISIONS

The remuneration policy is designed in accordance with the European and national rules on remuneration and governance as defined by the UCITS Directive of the European Parliament of the Council n°2009/65/EC dated July 13 2009 and n°2014/91/EC of July 23 2014 and the guidelines issued by the ESMA on June 3 2013 (ESMA/2013/606).

The remuneration policy promotes a sound and effective management of risks and does not encourage excessive risk-taking.

It is consistent with the goals and interests of managers, the mutual funds managed and investors of UCITS to avoid conflicts of interest.

The remuneration policy is in line with the corporate strategy of Carmignac Gestion SA, its objectives, values and long-term interests, such as sustainable growth prospects, and complies with the principles governing the protection of clients and investors in the course of services provided.

This remuneration policy has several objectives:

- It defines the rules of the fixed and variable remuneration based on the principles contained in the UCITS Directive,
- It requires taking into account, when determining the variable remuneration, the combination of the evaluation of individual performance, the general economic situation of the management company and the results of the group. The evaluation of individual performance is based on quantitative (financial) and qualitative (non-financial) criteria.
- It provides a structured remuneration system. It is based on a long-term vision.
- It includes the remuneration policy in the management of the group's financial risk while encouraging the employees concerned to promote the sustainable success and stability of the group.

2 SCOPE OF APPLICATION

The remuneration policy is applicable to all staff.

Specific provisions are laid down for categories of staff whose professional activities have a significant impact on the risk profile of the management company or mutual funds they manage.

The list of identified staff will be adopted by the Board of Directors on the proposal of the Remuneration Committee and will be reviewed annually.

3 REMUNERATION STRUCTURE

This remuneration policy aims to align remuneration with good risk management. The remuneration system in place is in line with the strategic objectives of the company and consists of:

- A balance between fixed remuneration and variable remuneration
- Performance measurement

This remuneration policy concerns the fixing of remuneration in its main components:

- The fixed portion: fixed remuneration and benefits
- The variable portion

The sum of the fixed and variable portions is the total remuneration.

4 BASIC SALARY

The fixed component represents a sufficiently high proportion of the total remuneration for a fully flexible policy to be exercised in respect of the variable components of the remuneration, in particular the possibility not to pay any variable component.

5 VARIABLE REMUNERATION

5.1 *Principles applicable to all staff*

A variable component supplements the fixed component.

The variable remuneration rewards the performance of staff members who reach the targets that have been set for them by the Company.

The variable portion is determined and paid during the first quarter of year N+1, in respect of the performance assessed for year N.

5.2 *Determination of the amount of variable remunerations*

The amount of variable remunerations is determined based on the result of Carmignac Gestion SA during the previous financial year, ensuring that the level of equity remains sufficient.

It is then distributed among the different departments depending on the evaluation of their performance and, within each department, depending on the evaluation of individual performance.

5.3 *Integration of sustainability risks*

Further to Carmignac Gestion's commitments and initiatives in terms of responsible investment, and in accordance with the regulation in force, the general management takes into consideration sustainability risks when determining the pool of the variable remuneration allocated to all staff members.

5.4 *Evaluation process*

Individual performance is assessed through an evaluation procedure where the employee evaluates his own performance and is evaluated by the managers of his team.

Individual performance is reviewed through the performance evaluation process, which assesses how employees achieve the quantitative and/or qualitative targets related to their function, and which takes individual behaviour into account to discourage, in particular, short-term risk-taking.

For Management, the targets are defined by the Remuneration Committee and the Board of Directors, in its oversight function, and shared with the interested parties.

For employees, it is their superiors who evaluate the overall performance of each employee based on their individual results and behaviour.

The evaluation of individual performance leads, in particular, to the fixing of variable remunerations.

The determination of the amount due to each employee takes qualitative criteria into account, i.e. the sustainability of the actions carried out by the employee and their medium and long-term interest for the company, the personal involvement of the employee and the performance of the assigned tasks.

Performance is assessed in view of the performance of the person and business unit concerned, as well as those of the company as a whole.

Depending on the position held, quantitative criteria will also be applied.

The achievement of the qualitative and/or quantitative criteria set will determine the variable remuneration paid to each employee.

5.5 Rules applicable to the employees concerned

Each year, the Remuneration Committee shall submit to the Board of Directors a list of the employees concerned with all information that the Board deems necessary to validate the scope of application of the following provisions.

The specific terms of remuneration of the employees concerned are adopted each year by the Board of Directors on the recommendation of the Remuneration Committee

5.5.1 Deferred payment of the variable remuneration

At least 40% of the variable component of the remuneration is deferred for an appropriate period which may not be less than three years

The remuneration due under deferral mechanisms is only acquired at a maximum in proportion to the time elapsed.

If the variable component of the remuneration represents an amount that is particularly high, the payment of at least 60% of this amount is deferred.

5.5.2 Payment in the form of instruments

A sufficient percentage of the variable component of the remuneration consists in units of the mutual fund concerned, or in an equivalent participation, or in share-linked instruments or equivalent instruments.

5.5.3 Adjustment of the variable remuneration

The variable remuneration, including the deferred portion, is only paid or acquired if its amount is compatible with the financial situation of Carmignac Gestion SA as a whole and if justified by the performance of the operational unit, of the mutual fund and of the person concerned.

The total amount of the variable remuneration for year N is generally lower when the manager or mutual funds concerned record a poor or negative performance.

5.6 Specific rules applicable

The remuneration rules are adopted each year by the Board of Directors on the proposal of the Group's Remuneration Committee.

5.6.1 Remuneration of the members of the Board of Directors

The members of the Board of Directors receive attendance fees whose amount is determined by the General Shareholders' Meeting and the allocation is carried out by the Board of Directors.

The internal members of the Board of Directors receive no variable remuneration other than that attached to the function exercised under the employment contract between them and CARMIGNAC GESTION, if any, or to their function as executive corporate officers. In addition, their attendance fees are lower than their fixed annual remuneration.

5.6.2 Remuneration of persons exercising control functions

Employees engaged in control functions are remunerated based on the achievement of objectives related to their functions, independently of the performance of the operating sectors they control.

The remuneration of senior officers in charge of risk management and compliance functions is directly supervised by the Remuneration Committee.

5.6.3 Remuneration of persons exercising support service functions (excluding identified staff)

An individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service.

The variable remuneration of support managers is granted by management based on the achievement of targets set on an individual basis and the achievement of targets set for their entire service.

5.6.4 Remuneration of persons exercising commercial service functions (excluding identified staff)

Regarding sales staff, an individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service (in particular in terms of income).

Regarding private client advisors, an individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service.

5.7 *Guaranteed remuneration*

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

Payments related to the early termination of a contract correspond to the performance achieved over time and are designed so as not to reward failure.

5.8 Prohibition of circumvention measures

Staff members are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to counteract the risk alignment effects incorporated in their remuneration agreements

The variable remuneration is not paid by means of instruments or methods that facilitate the circumvention of the requirements of this Directive.

5.9 Pension

The policy in respect of pensions is in line with the economic strategy, objectives, values and long-term interests of the manager and mutual funds it manages.

6 Remuneration of persons involved in the management of AIF

6.1 Principle of proportionality

In view of the elements presented:

- the size of the AIF insignificant compared to the assets managed;
- the very nature of the AIF (invested for more than 90% in a UCITS) low risk
- the limited risk level, controlled and governed by the mechanism in place;
- the complexity of the derivatives used within the framework of management of the AIF relatively simple, the same instruments being used in all the UCITS of the management company;

On this basis, the criteria of proportionality to exclude the requirements in the area of remuneration indicated above are met:

- Variable remuneration in the form of instruments;
- Conservation;
- Deferral;
- Incorporation of ex post risks for the variable remuneration;

The Remuneration Committee and the Board of Directors will seek to ensure that the practices and remuneration policies remain sound and do not encourage risk-taking inconsistent with the strategies in place.

6.2 Persons concerned

The list of identified staff is adopted by the Board of Directors on the proposal of the Remunerations Committee. This list is subject to an annual review.

6.3 Specific rules applicable

The principles laid down in part 5 also cover the remuneration of identified staff involved in the management of the AIF. Furthermore, the fixed and variable remunerations are allocated in accordance with the functions exercised by the person concerned.

7 GOVERNANCE

7.1 *Implementation of the policy*

The management body of the manager, in the exercise of its oversight function, adopts and reviews the general principles of the remuneration policy at least annually and is responsible for its implementation.

The implementation of the remuneration policy is subject, at least once a year, to a central and independent internal assessment to ensure that it complies with the remuneration policies and procedures adopted by the management body in the exercise of its oversight function.

7.2 *Remuneration Committee*

The Board of Directors of Carmignac Gestion SA has decided to create a committee to assist it in the exercise of its mission of fixing the principles of the remuneration policy, pursuant to the provisions of the UCITS V Directive.

Its composition and functions are described in a charter specifically drawn up for this purpose.

The objective of the Remuneration Committee is to make proposals to the Board of Directors, in its oversight function, and to review the overall remuneration policy of the Company. In particular, it makes proposals to the Boards of Directors, in its oversight function, concerning the remuneration of executive members. It meets at least twice a year.

7.3 *Monitoring the implementation*

The Compliance and Internal Control function ensures that the remuneration policy has been reviewed at least annually by the Board of Directors and that the associated principles and procedures have been implemented accordingly.

Together, the Compliance and Internal Control function and Remuneration Committee ensure the fair and consistent application of the remuneration policy within the Company, and its compliance with the rules and regulations applicable to matters of remuneration and the principles adopted by the Board of Directors.

8 PUBLICATION

8.1 External publication

Each year, the management company publishes an annual report for each mutual fund that includes the following information:

- the total amount of remuneration for the year broken down into fixed and variable remuneration, paid by the manager to its staff, and the number of beneficiaries. This publication outlines how this distribution or breakdown was obtained;
- the aggregate amount of remuneration of the manager's staff members whose activities have a significant impact on the risk profile of the fund;
- Details of the remuneration practices relating to the staff concerned (i.e. quantitative/financial criteria and qualitative/non-financial criteria used to determine the variable remuneration.

This information on the remuneration of employees within the management company will be disclosed through an annual report for each fund, on request, to investors of mutual funds.

The Board of Directors of Carmignac Gestion SA prepares and publishes a report presenting the following information relating to the policy and practices of remuneration of the members of the Executive Body, and to Risk-Takers:

- The decision-making process implemented to define the remuneration policy and information on the bodies (including their composition and mandate), such as the Remuneration Committee and, where appropriate, the external consultants who have played an important role in determining the remuneration policy;
- A description of the staff categories considered as risk-takers and the criteria used to identify staff;
- A description of the different forms of variable remuneration used (cash, shares and share-backed securities and others) and justification of the use of these different forms and their allocation to the different staff categories;
- The main features of the remuneration policy, including the criteria used to measure performance (quantitative and qualitative criteria) and adjust the remuneration to the present and future risks, the link between pay and performance, the policy on the spread of remuneration and guaranteed remuneration, as well as the criteria used to determine the proportion of the amounts in cash compared to other forms of remuneration.

8.2 Internal publication

The Company shall ensure that each employee is regularly informed of his level of remuneration, the criteria used to assess his performance and the relation between performance and pay.