

NATIXIS IM INTERNATIONAL (“NIMI”) REMUNERATION POLICY

This NIMI remuneration policy contains general principles applicable to all employees (see section I), specific principles applicable to the groups of employees identified by the AIFM and UCITS V directives (see section II) and a governance system applicable to all employees (see section III).

It forms part of the remuneration policy defined by Natixis and has been drawn up in accordance with the provisions concerning remuneration contained in the following regulations, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions issued by the Autorité des Marchés Financiers (AMF) derived therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 (the “AIFM Directive”)
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities (UCITS), transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 (the “UCITS V Directive”)
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the French Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 (“MiFID II”)

I- GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic aspect of NIMI’s policy. As a tool for mobilising and encouraging associates, it ensures, in strict compliance with broad financial balances and regulations, that it is competitive and attractive in light of market practice.

NIMI’s remuneration policy, which applies to all employees, counts the alignment of employees’ interests with those of investors among its fundamental principles:

- It is consistent and promotes sound and effective risk management and does not encourage any risk-taking incompatible with the risk profiles, rules or constitutional documents of the managed products.
- It is consistent with the economic strategy, objectives, values and interests of the management company and the products it manages and those of investors, and includes measures that seek to avoid conflicts of interest.

The remuneration policy covers all components of remuneration, including fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and the employee's level of responsibility. It takes account of market conditions.

Variable remuneration is based on an assessment of collective performance, measured both at the level of the management company and the products managed, and by reference to individual performance. It takes account of quantitative and qualitative factors, which may be established on a yearly basis or across a number of years.

I-1. Definition of performance

The objective and transparent assessment of annual and multi-annual performance based on pre-defined objectives is the key aspect in applying NIMI's remuneration policy. It ensures the fair and selective treatment of employees. This assessment is discussed by the employee and his/her manager during an individual appraisal meeting.

Each employee's level of contribution and performance is assessed based on his/her role, duties and level of responsibility at the management company. In this context, the remuneration policy distinguishes between several categories of employee:

- The Management Committee is assessed by reference to its contribution to the definition and implementation of the management company's strategy, which is in line with the strategy of the international distribution platform and that of Dynamic Solutions. The Management Committee is also assessed by reference to its ability to develop the performance of its product and service offerings, the performance of the distribution activity and, more generally, the development of the group's multi-boutique model, as well as the risk-adjusted financial performance of its scope of oversight. For this category, performance is appraised annually using quantitative indicators linked to changes in NIMI's economic results and supervised activities as well as the contribution to Natixis IM's overall performance. Performance is also assessed by reference to the attainment of qualitative objectives such as the quality of management and/or responsibility/contribution to cross-functional projects.
- The support functions are assessed on their ability to proactively respond to the management company's strategic challenges. Individual performance is assessed annually by reference to the attainment of qualitative objectives such as the quality of the repeat business and/or the degree of participation in cross-functional projects or strategic/regulatory projects. These objectives are defined annually in conjunction with those of NIMI and those of the international distribution platform and, where applicable, Dynamic Solutions.
- The performance of the control functions is assessed by reference only to qualitative criteria such as participation in cross-functional projects or strategic/regulatory projects, defined annually, in order not to compromise their independence or create a conflict of interest with the business lines they control.
- The performance of the management functions is assessed based on a quantitative criterion linked to the generation of value by allocation, supplemented by one or more qualitative criteria. The quantitative criterion reflects the challenges of developing the management performance sought by investors without, however, allowing excessive risk-taking that may have an impact on the risk profile of NIMI and/or the managed products. This quantitative criterion is calculated over a pre-defined period in line with the risk-adjusted performance horizon of the managed funds and the management company.
- The performance of the distribution functions is assessed based on an evaluation of quantitative and qualitative criteria. The quantitative criteria are based on gross inflows, net inflows, turnover, the profitability of investments and any changes thereto. Qualitative criteria include business diversification and development (new clients; new affiliates; new expertise, etc.) and the consideration of the interests of both NIMI and its clients.

Qualitative criteria are used in the assessment of the performance of all categories of employee.

These qualitative criteria always include compliance with regulations and NIMI's internal risk management and compliance procedures.

They may also cover: the quality of the relationship with clients, including the level of expertise and advice provided, contributions to the reliability of a process, participation in a cross-disciplinary project,

contributions to the development of new expertise, contributions to improvements in operational efficiency or any other subject defined in line with NIMI's strategic objectives.

For each category of employee, all quantitative and qualitative objectives are defined and communicated individually at the beginning of the year, in line with NIMI's strategic objectives.

I-2. Remuneration components

I-2.1. Fixed remuneration

NIMI shall pay a level of fixed remuneration that sufficiently remunerates employees for their employment activity.

Fixed remuneration remunerates the skills, professional experience and level of responsibility expected of an employee.

The level of fixed remuneration is reviewed periodically to ensure that it is consistent with geographical and professional market practices.

Fixed salaries are reviewed once a year as part of the annual remuneration review. Outside that period, only promotions, internal job moves or exceptional changes to individual circumstances may lead to a review.

I-2.2. Variable remuneration

The variable remuneration packages are defined based on the annual results of NIMI, the international distribution platform and Dynamic Solutions, and also by reference to qualitative elements, such as the practices of competitor companies, the general conditions of the market applicable at the time the results were obtained and any factors that may have temporarily influenced the business line's performance.

Variable remuneration, where awarded, is paid to reward an individual annual performance achieved as part of a collective performance.

NIMI's collective variable remuneration consists of mandatory and optional profit-sharing schemes, together with a company savings plan (PEE) and a collective pension plan (PERCO). Under these plans, employees may benefit from a matching contributions scheme.

This collective variable remuneration has no incentive impact on the risk management of NIMI and/or the managed products and does not fall within the scope of the AIFM or UCITS V directives.

Within the limits of the overall variable remuneration packages, individual variable remuneration is awarded, as part of the annual remuneration review, in an objective, discretionary manner based on the assessment of individual performances and the way in which such performances are achieved. The variable remuneration awarded to employees is affected by inadequate risk and compliance management, or breaches of regulations and internal procedures during the year in question (see I-1. above).

Identified staff are subject to specific obligations in relation to risk and compliance rules. Failure to comply with these obligations may result in a partial or total reduction in the allocation of individual variable remuneration.

In the event of a loss or a significant fall in its profits, NIMI may also decide to reduce or fully cancel the amount allocated to individual variable remuneration, together with any deferred instalments of variable remuneration previously awarded and that is in the process of vesting.

There is no contractual guarantee for variable remuneration, except, in some cases, for variable remuneration awarded for a first year of service in connection with external recruitment.

“Golden parachute” type schemes are prohibited. Payments relating to the early termination of an employment contract are determined in accordance with legal provisions (statutory and contractual remuneration) and the performance of the beneficiary, his/her business line and the management company as a whole over the long term and are designed so as not to reward failure.

Variable remuneration is not paid via instruments or methods that facilitate the circumvention of the requirements set out in regulations.

I-2.3. Key employee loyalty scheme

NIMI wishes to be able to guarantee the stability of its teams to investors.

To this end, a deferred remuneration scheme has been incorporated into the remuneration policies.

Beyond a certain variable remuneration threshold, this measure results in the allocation of a portion of the variable remuneration in the form of cash indexed to changes in Natixis IM’s consolidated financial performance measured by its pre-tax profit (loss) on ordinary activities recorded each year, over a minimum period of 3 years. The deferred variable remuneration component vests in equal tranches over a minimum period of 3 years and aligns employees’ remuneration with Natixis IM’s performance. The deferred variable remuneration rate is calculated by applying a deferred remuneration table.

This mechanism is subject to the employee meeting certain conditions relating to attendance and the absence of unusual behaviour that may have an impact on NIMI’s level of risk. Vested tranches may be required to be refunded in full or in part, in order to carry out ex post risk adjustments.

I-2.4. Balance between fixed and variable remuneration

NIMI ensures that there is an appropriate balance between the fixed and variable components of overall remuneration and that the fixed component represents a sufficiently high proportion of overall remuneration so that a fully flexible policy may be implemented with respect to the variable remuneration components, including the option of paying no variable component. All individual situations where variable remuneration exceeds fixed remuneration and that may be explained by reference to market practices and/or an exceptional level of responsibilities, performance and behaviour are documented by the Human Resources department as part of the annual remuneration review.

II- APPLICATION OF THE MECHANISM APPLICABLE TO IDENTIFIED STAFF UNDER THE AIFM AND/OR UCITS V DIRECTIVES

II-1. Identified staff

In accordance with regulatory provisions, NIMI’s identified staff includes the categories of employee, including executive managers, risk-takers and those exercising a control function, as well as any employee who, based on his/her total remuneration, is in the same remuneration bracket as executive managers and risk-takers, whose employment activities have a material impact on the risk profile of the management

company and/or the products managed by the management company. These persons are identified based on their employment activities, level of responsibility or their overall level of remuneration.

With a view to consistency and harmonisation, NIMI has decided to apply the mechanism applicable to identified staff to all managed products (mandates, UCITs and OFIs).

The following categories of employee constitute identified staff:

- Members of the management body
- Employees responsible for portfolio management
- The heads of the control functions (risk, compliance and internal control)
- The heads of the support or administrative functions
- Other risk-takers
- Employees who, based on their overall remuneration, are in the same remuneration bracket as executive managers and risk-takers

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formally records the identification methodology and scope of NIMI's identified staff, in conjunction with the Director of Permanent Controls.

The names of all identified staff are then validated by NIMI's Executive Management, before being provided to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees in question are also informed of their status.

II-2. Mechanism applicable to variable remuneration awarded to regulated persons

In accordance with the regulations and in order to ensure alignment between employees, investors and the management company, where the variable remuneration of identified staff exceeds a certain threshold, it is partly deferred and partly awarded in the form of financial instruments vesting on a proportional basis over a minimum period of 3 years.

The proportion of variable remuneration, which is deferred over 3 years, increases with the amount of variable remuneration awarded, and may reach 60% for those with the highest remuneration at NIMI. Currently, remuneration is deferred as follows:

- Between €200k and €499k: 50% deferred
- €500k or more: 60% deferred

The triggering thresholds for deferred variable remuneration may be changed as a result of regulatory requirements or changes in internal policies. In such circumstances, the new thresholds are submitted to NIMI's Management Committee and Natixis Remuneration Committee for their approval.

A minimum of 50% of variable remuneration is also awarded in financial instruments in the form of cash indexed:

- For teams directly involved in portfolio management, to the performance of a selection of products managed by NIMI
- For teams that are not directly involved in portfolio management, to changes in Natixis IM's consolidated financial performance measured by its pre-tax profit (loss) on ordinary activities recorded each year, over a minimum period of 3 years

The vesting of the deferred component of variable remuneration is subject to the employee meeting certain conditions relating to attendance and to Natixis IM's consolidated financial performance as well as

the absence of unusual behaviour that may have an impact on the level of risk for NIMI and/or the products managed.

Vesting is also subject to obligations in relation to risk and compliance rules. Failure to comply with these obligations may result in a partial or total reduction of the amounts vested. Such amounts may also be required to be returned in whole or in part, in order to carry out ex post risk adjustments.

Employees who receive deferred variable remuneration are prohibited from using individual hedging or insurance strategies at any point during the vesting period.

The terms and conditions applicable to the calculation, valuation, allocation, vesting and payment of the deferred variable remuneration in equivalent financial instruments are set out in NIMI and Natixis IM's Long Term Incentive Plans (LTIPs).

III- GOVERNANCE

The general and specific principles of the remuneration policy are drawn up and formally recorded by the NIMI's Human Resources Department in line with the policy applicable to the global distribution platform.

NIMI's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and evaluation of the remuneration policy. They are involved in determining the management company's overall strategy and seek to promote the development of effective risk management. To that end, they are involved in determining the scope of the identified staff. They are also responsible for assessing the impact of the variable remuneration structure on managers' risk profiles.

NIMI's remuneration policy is approved by NIMI's Board of Directors.

The general and specific principles, the terms of application and summary figures of the remuneration policy for identified staff are successively approved by the members of NIMI's Executive Committee, Natixis IM Executive Management and Natixis Executive Management.

NIMI does not have its own Remuneration Committee but, as a member of the Natixis Group, reports to the Natixis Remuneration Committee.

The Natixis Remuneration Committee is constituted and acts in accordance with the regulations¹:

- Both in terms of composition: independence and expertise of its members
- And in the performance of its duties, which more specifically, for management companies, include the following roles:
 - o Recommendations and assistance to the Board of Directors in preparing and implementing the management company's remuneration policy
 - o Assistance to the Board of Directors in supervising the preparation and implementation of the management company's remuneration system
 - o Specific attention is paid to the evaluation of the mechanisms used to ensure that the remuneration system takes proper account of all categories of risk, liquidity and the levels of assets under management and that the remuneration policy is compatible with the economic strategy, objectives, values and interests of the management company and the managed products managed and those of investors

In this context, the general and specific principles, the compliance of NIMI's remuneration policy with applicable regulations and the terms of application and summary figures of the remuneration policy,

¹: For further details on the composition and role of the Natixis Remuneration Committee, please see the company's Registration Document.

including details of identified staff and those with the highest remuneration, are submitted to the Natixis Remuneration Committee for its review, before being approved by its Board of Directors.

The remuneration of NIMI's Chief Executive Officer is set by executive management of Natixis IM and Natixis, then presented to the Natixis Remuneration Committee before being approved by the Natixis Board of Directors.

The remuneration of NIMI's Risk and Compliance Directors is reviewed, as part of the independent reviews carried out by the risk and compliance functions, by Natixis IM's Risk and Compliance Directors. They are then submitted to the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and to members of the works council.

The review, validation and communication processes are carried out in full each year. It takes account of any regulatory and environmental changes and is carried out in accordance with Natixis's remuneration policy.

Finally, NIMI's entire remuneration policy is the subject of a centralised and independent annual review by Natixis IM's Internal Audit Department.

When NIMI delegates the financial management of one of the portfolios that it manages to another management company, it ensures that this delegatee company complies with the regulations in force.