

## Supplement to Form A1 updating the asset management company's remuneration policy in accordance with the UCITS V Directive

Please attach two copies of this document to Form A1 in Annex 4 of AMF Instruction 2008-03 - Authorisation procedure for investment management companies, disclosure obligations and passporting

### Reference documents:

Directive 2009/65/EC (consolidated)  
Article L.533-22-2 of the Monetary and Financial Code  
Article 314-85-2 of the AMF General Regulation  
AMF guide to UCITS V for asset management companies  
ESMA Guidelines on remuneration policies<sup>1</sup>

This form allows asset management companies authorised under Directive 2009/65/EC, known as the UCITS Directive, to update their programme of activity to include information specifically addressing remuneration policy.

Asset management companies are asked to provide detailed information on the following points.

## 1. IDENTIFIED STAFF

Identify the asset management company employees subject to the directive's provisions on remuneration.

*As a reminder, the following employee categories must be included in the identified staff unless the asset management company can demonstrate that they have no material impact on the risk profile of the UCITS and/or the company:*

- senior managers (company managers and portfolio managers),
- the heads of support functions, such as the Head of Marketing, Head of Human Resources, or Administrative Head,
- financial managers,
- risk control manager,
- the compliance and internal control officer (RCCI),
- other risk takers identified as providing related services under Article 6(3) of the UCITS Directive, or Article 6(4) of the Alternative Investment Fund Managers Directive,
- any other employee with a material impact on the risk profile of the company or a UCITS it manages, AND whose salary is significant<sup>2</sup>. This category of staff members may include, for example, sales persons, individual traders and specific trading desks.

## 2. TYPES OF REMUNERATION PAID BY THE ASSET MANAGEMENT COMPANY

Identify the different types of remuneration the asset management company pays to the identified staff, distinguishing between fixed remuneration and variable remuneration.

Specify the kinds of variable remuneration paid (cash, shares, options, discretionary pension contributions, etc.)<sup>3</sup>.

| Categories of identified staff (specify the type) |                             |
|---|-----------------------------|
| Yes <input type="checkbox"/>                      | No <input type="checkbox"/> |
| Nature: ...                                       |                             |
| Yes <input type="checkbox"/>                      | No <input type="checkbox"/> |

<sup>1</sup> Guidelines on sound remuneration policies under the UCITS Directive and AIFMD

[https://www.esma.europa.eu/sites/default/files/library/2016-411\\_final\\_report\\_on\\_guidelines\\_on\\_sound\\_remuneration\\_policies\\_under\\_the\\_ucits\\_directive\\_and\\_aifmd.pdf](https://www.esma.europa.eu/sites/default/files/library/2016-411_final_report_on_guidelines_on_sound_remuneration_policies_under_the_ucits_directive_and_aifmd.pdf)

<sup>2</sup> An employee whose salary is significant as defined in AMF Position 2013-11, incorporating ESMA recommendations on AIFMD remuneration, is an employee whose remuneration "puts them in the same pay grade with senior managers and risk takers". Thus, the term "significant salary" in this case refers to the amount of variable remuneration that is paid first of all to senior managers and financial managers.

<sup>3</sup> Excluding profit sharing and incentives.



|  |             |
|--|-------------|
|  | Nature: ... |
|--|-------------|

Do identified staff receive remuneration explicitly indexed<sup>4</sup> to performance fees related to management of UCITS?

Yes ☐

No ☐

If such is the case, are they in line with AMF Position 2012-12 – A guide to fees, and do they ensure alignment with the interests of investors?

Yes ☐

No ☐

### 3. APPLICATION OF THE PROPORTIONALITY PRINCIPLE

Indicate if the company wants to invoke the principle of proportionality, by distinguishing between proportionality with respect to the characteristics of the company and proportionality with respect to the different categories of staff.

Specify the criteria allowing the company to invoke the principle,

At the company level:

- Size of the asset management company, the value of UCITS assets and assets under discretionary management,
- The nature, scope and complexity of the activities it pursues,

At the staff level:

- The structure of the remuneration of staff members (size of variable remuneration and/or percentage of variable remuneration relative to fixed remuneration).

The asset management company invokes the principle of proportionality stipulated in section III of Article 314-85-2 of the AMF General Regulation:

Yes ☐

No ☐

If the company is authorised under the the AIFM Directive, has the principle of proportionality been applied?

Yes ☐

No ☐

| Criteria  | Justification  |
|---|--|
| Size of the asset management company  | UCITS assets:<br>AIF assets:<br>Assets under discretionary management:   |
| Number of employees   |  |
| Number and category of identified staff   |  |
| Nature, scope and complexity of activities pursued – types of management strategies   |  |
| Remuneration structure of staff members:<br>- maximum amount of variable remuneration in euros<br>- maximum percentage of variable remuneration relative to fixed remuneration. | Maximum amount of variable remuneration in euros paid to identified staff:<br><br>(Comments):<br><br>No maximum: <input type="checkbox"/><br>(Comments):<br><br>Maximum percentage of variable remuneration paid to identified staff: .....<br>(Comments):<br><br>No maximum: <input type="checkbox"/> |

<sup>4</sup> I.e. it is specifically stated as such in the remuneration policy that applies to the employee. This remuneration consists of payments linked to the performance of UCITS made directly by the asset management company or by the UCITS itself to the relevant employee.



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|--|--|

#### 4. VARIABLE REMUNERATION PAYMENT METHODS

Present variable remuneration payment methods, if applicable:

- Indicate the payment deferral timeline (deferral period, proportion of variable remuneration deferred, and form of variable remuneration deferred),
- Indicate whether payments are made in cash or in financial instruments,
- Specify the retention policy,
- Specify the conditions for ex-post risk adjustment.

| Payment procedures   | Explanation  |
|--|--|
| Portion of variable remuneration paid in cash and in financial instruments | <i>As a reminder, at least 50% of the variable portion of remuneration consists of units or shares or the UCITS in question, an equivalent ownership interest, or equity-linked instruments or equivalent non-monetary instruments offering equally effective incentives.</i>  |
| Proportion of deferred variable remuneration                               | <i>As a reminder, at least 40% of the variable portion of remuneration is deferred.</i>  |
| Deferral period  | <i>As a reminder, the deferral period is at least three years.</i>   |
| Retention policy details, if applicable                                    | <i>As a reminder, the retention period is the period during which the variable remuneration that has already been awarded and paid in the form of instruments can not be sold.</i>   |
| Conditions for ex-post risk adjustment                                     | <i>As a reminder, variable remuneration, including the deferred portion, may only be paid or awarded if the amount is compatible with the asset management company's financial situation and justified by the performances of the operating unit, the portfolios it manages, and the relevant staff.<br/>The total amount of variable remuneration is typically reduced considerably if the asset management company and/or the portfolios that it manages generate mediocre or negative financial performances.</i> |

#### 5. GOVERNANCE AND SETTING UP A REMUNERATION COMMITTEE

The management company affirms its compliance with point 1, 3) of Article 314-85-2 of the AMF General Regulation on the governance of remuneration:

Affirmation of compliance ☐

The company invokes the principle of proportionality in order not to form a remuneration committee as mentioned in point 1, 3) of Article 314-85-2 of the AMF General Regulation:

Yes ☐

No ☐

If "Yes", state the reasons:

- In accordance with the example given in the ESMA guidelines, the asset management company manages UCITS portfolios whose value does not exceed €1.25 billion and has 50 or fewer employees, including those responsible for the management of AIFs and providing services mentioned under Article 6, section 3, a) and b) of the UCITS Directive (discretionary management and related services),

Yes ☐

No ☐



- The company is part of a banking, insurance, investment group or financial conglomerate within which an entity is obliged to set up a remuneration committee and the existing remuneration committee takes responsibility for checking the compliance of the asset management company.

Yes ☐

No ☐

- The company has taken into account elements such as whether the management company is listed or not, its legal structure, the number of employees, its assets under management, whether the management company is also an AIFM, and the provision of services mentioned under Article 6(3) of the UCITS Directive:

Details:

## 6. RISK ALIGNMENT

Indicate whether the company has adopted a discretionary pension policy (that also covers departures) and a policy of forbidding hedging (see points 16 and 17 of Article 314-85-2 of the AMF General Regulation). If applicable, explain how the company is complying.

The asset management company has adopted a discretionary pension policy (that also covers departures) and forbids any form of hedging against fluctuations in remuneration as a result of payment instruments:

Yes ☐

No ☐

## 7. DISCLOSURE

The asset management company affirms that it is in compliance or has taken all necessary steps to comply with the disclosure requirements mentioned in Articles 411-107, 411-133 and 411-121 of the AMF General Regulation, and in Article 33 and Annexes XIII and XIV of AMF Instruction 2011-19:

Affirmation of compliance ☐

## 8. POINTS TO CONSIDER

Indicate any elements the AMF should consider with respect to remuneration.

## 9. STATEMENT OF COMPLIANCE

The asset management company affirms that it is in compliance with points 1 to 12 and 15 to 18 of Article 314-85-2 of the AMF General Regulation.

Affirmation of compliance ☐