

NOTE ON THE REMUNERATION POLICY

1. GOVERNANCE – REMUNERATION COMMITTEE

As a 100% of OFI Asset Management, OFI LUX employs the Remuneration policy of its Group, the OFI Group. Following the Group's Directory's (the "Directoire") proposal, OFI Group's Remuneration Policy is established and reviewed on an annual basis by the Group's Strategic Committee who is also in charge of its proper application. The identified staff is defined hereunder.

2. APPLICATION SCOPE AND IDENTIFIED STAFF

The identified staff is the following:

- Risk takers (Managers, CIOs)
- Directors (members of the Executive Committee and Directors of subsidiaries).
- Responsible persons of the control function (Risk Management, Internal Audit, Legal & Compliance, Marketing)
- Any assimilate staff : Employees which are not covered by the above mentioned categories but are subject to an equivalent remuneration, that is >30% of the fix (gross)
- Sales department

3. TYPES OF REMUNERATION

3.1 OFI group pays its identified staff the following types of remuneration:

- A fixed remuneration : in cash but also, whenever applicable, in kind such as company cars, housing
 - A variable remuneration as exposed below:
- a) For staff members whose valuable remuneration is below 100 K EUR or 30% of their fixed remuneration (gross) this is paid immediately and wholly in cash.
- b) For all other staff members 60% is paid immediately in cash and financial instruments according to the below conditions:
- 50% of the variable remuneration is paid in cash in year 0 (at the end of the first quarter, for example) on the basis of the results for the previous year;
 - 10% is allocated as instruments. The retention period is set at six months (unblocked at the end of the third trimester).

The remaining 40% will be paid as in form of financial instruments and released in equal installments over the next three years with no retention period. This allowance may be revised downwards according to the evolution of the quantitative and qualitative criteria in the following years (definition of malus as described in point 4).

3.2 As indicated above, the portion which is not paid in cash is paid in the form of financial instruments. These instruments vary according to the categories of staff and make it possible to align the risks between the different parties (UCIs, Group entities, Risk takers, etc.):

- Financial Instruments for Risk takers and assimilated staff members:

The instruments must reflect the evolution of the fund (s) managed or, more broadly, the evolution of the asset class to which it belongs.

For risk takers (and assimilated), the portion paid in instruments will thus consist of a provision of an indexed amount on the average alpha weighted by the outstanding amounts of the funds of the determined basket. The number of baskets as well as their composition can evolve in particular depending on the time, the life of the products and the organization of management. In all cases, the amount of these envelopes shall increase or decrease depending on the relative performance of the funds.

- Instruments for Directors and other assimilated employees.

For the other categories of staff, the instruments will consist of provisions whose amount will be indexed on a more global basket.

3.2 The variable remuneration paid (cash, shares, options, discretionary pension contributions etc) are the following:

| Category of identified staff | Variable Remuneration |
|--|---|
| Risk Takers (Portfolio managers, CIO) | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Nature : Cash and Instruments as described above |
| Directors (members of the Executive Committee and Directors of subsidiaries). | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Nature : Cash and Instruments as described above |
| Responsible persons of the control function (Risk Management, Internal Audit, Legal & Compliance, Marketing) | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Nature : Cash and Instruments as described above |
| Assimilated staff : Employees which are not covered by the above mentioned categories but are subject to an equivalent remuneration, that is >30% of the fix (gross) | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Nature : Cash and Instruments as described above |
| Sales Department | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Nature : Cash and Instruments as described above |

Only fund managers with variable management fees receive fees linked to outperformance fees which are not automatically indexed. In line with AIFMD Rules and ESMA Guidelines, variable remuneration is designed to align the interest of the investors with those

4. PROCEDURES OF PAYMENT OF VARIABLE REMUNERATION

| Payment Procedures | Details |
|--|---|
| Part remunerated in cash and instruments | <p>For staff members whose variable remuneration is below 100k€ or 30% of the fixed remuneration (gross), this is paid immediately and wholly in cash.</p> <p>For the others :</p> <p>A portion (60%) is paid immediately in cash and instruments, as follows:</p> <ul style="list-style-type: none"> • 50% of variable remuneration is paid in cash in year 0 (at the end of the first quarter, for example) on the basis of the results for the previous year. • 10% is allocated as "instrument". The retention period is set at six months (unblocking therefore at the end of the third quarter). |
| Proportion of the deferred remuneration | <p>The remaining 40% will be paid as in form of financial instruments and released in equal installments over the next three years with no retention period. This allowance may be revised downwards according to the evolution of the quantitative and qualitative criteria in the following years (definition of malus as described below).</p> |
| Deferral period | 3 years |
| Details of the retention policy, if applicable | <p>The retention period for instruments paid in year 0 is set at six months.</p> <p>There is no retention period for instruments paid over the next three years.</p> |
| Means of ex post risk adjustment | <p>The malus results from an ex post adjustment.</p> <ul style="list-style-type: none"> • The distribution made in "Year 0" on the basis of the results of the past year may be modified ex post in Years 1, 2 and 3 if the achieved results erase all or part of the performances observed in Year 0. • The method used is to measure the performance of the fund over the two years and then the three and four years of the deferral period using the same method as that applied in the first year. • The malus will then depend on the evolution of the ranking (change of quantile) in relation to the initial situation, within the competitive segment. <p>A malus will be applied in the following cases:</p> <ul style="list-style-type: none"> • Fraudulent behavior or serious error; • Failure to comply with risk limits; • Non-compliance with processes; • Departure of the staff member. <p>The principle of ex post upward adjustment (notion of bonus) is excluded.</p> |