

Remuneration policy for senior management and portfolio managers

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1. Preamble

The remuneration policy aims to promote sound and effective risk management. It does not encourage risk-taking that is incompatible with the prospectuses of the funds managed and with the interests of the clients to whom Indépendance AM (the "Company") provides investment services.

The Company's remuneration policy (the "Policy") is consistent with its economic strategy, objectives, values and interests, as well as those of the funds it manages and its clients, and includes measures to avoid conflicts of interest.

It also takes into account the Company's organisational and operational requirements and the complexity of its activities.

2. Objectives

The purpose of this Policy is to specify the terms and conditions for determining and paying the overall fixed and variable remuneration allocated by the Company's management to the employees concerned.

It has been implemented in order to:

- actively support the Company's strategy and objectives;
- ensure the attractiveness, development and retention of staff; and
- align the interests of employees with those of the funds and clients.

These rules are designed to ensure that the level of total remuneration awarded is linked to the wealth created by the Company over the long term.

The fixed portion of remuneration rewards the employee's ability to satisfactorily meet the criteria defined for their position. The variable portion of their remuneration recognises their individual performance, contributions and behaviour.

This Policy aims to ensure consistency between the behaviour of the Company's professionals and its long-term objectives and, in particular, to discourage them from taking risks that are considered excessive and unacceptable by the Company. The policy also aims to prohibit any form of remuneration that could create excessive risks for the Company.

An annual assessment process for all employees is carried out by each line manager/department, in line with the Company's organisational structure, in order to

evaluate the results of individual and collective performance. This assessment is acknowledged by the employee concerned and by the Executive Management.

It sets quantitative, qualitative and managerial objectives to be achieved at the beginning of the year. It may take into account multi-year performance.

The performance measurement used to calculate the variable remuneration components includes an adjustment mechanism that takes into account all relevant current and future risks. It should be noted that investment decisions at Indépendance AM are taken collectively and not on the sole initiative of a single portfolio manager/analyst.

3. Employees concerned

The Company has carried out an assessment of its staff and has thus determined which employees are covered by this Policy. It has decided that employees who do not have a significant impact on the risk profile of the Company or the funds or mandates it manages are excluded from the Policy. The persons concerned are divided between (i) senior management on the one hand and (ii) financial managers on the other, referred to as "*identified personnel*".

Any other employees recruited may also be covered by this Policy if they:

- held key positions as defined in Article L.533-22-2 of the CMF (e.g. financial manager, head of support function, etc.); or
- were likely to have a significant impact on the risk profile of the Company or the funds or mandates managed and whose salary would be "significant" in accordance with AMF Position DOC-2013-11 (remuneration "*in the same remuneration bracket as senior management and identified staff*").

4. Activities and remuneration concerned

4.1 Activities concerned

The Company applies this Policy to all of its activities.

4.2 Remuneration concerned

The Policy applies to the following remuneration:

- fixed portion of employee remuneration; and
- variable portion of the employee's remuneration.

Remuneration is individual and negotiated at the time of employment. It may be revised according to the progress of the employee and the Company, within the limits set by this policy. An appropriate balance is established between the fixed and variable portions of an employee's overall remuneration.

The practice of guaranteed bonuses not linked to the employee's performance is prohibited, except in exceptional cases when hiring an employee, in which case the guarantee is limited to one year from the date of hire.

The purpose of this remuneration policy is to align employee remuneration with sound risk management. The remuneration system in place includes a fixed remuneration that is sufficiently high to allow for the possibility of not paying any variable portion.

Dividends or similar distributions received by the Company's partners are not covered by the Policy.

Similarly, remuneration in the form of profit sharing in the Company's profits does not fall within the scope of the Policy.

The following are also excluded from the Policy as they have no incentive effect on risk management:


- Company Savings Plans (PEE), Inter-company Savings Plans (PEI) and Collective Retirement Savings Plans (Perco),
- supplementary pension plans under Article 39,
- Article 83 retirement contracts.

Exceptional bonuses awarded in recognition of business contributions are excluded from this scheme.

5. Allocation of variable remuneration

Variable remuneration is allocated on the basis of qualitative and quantitative criteria in order to avoid short-term risk-taking.

5.1 Quantitative (financial) criteria

Quantitative measures cover a sufficiently long period to accurately assess the risk associated with employees' actions (the management company will align the risk and performance measurement horizon with the recommended holding period for investors in AIFs or discretionary management profiles). 

5.2 Qualitative (non-financial) criteria

Negative non-financial performance, in particular unethical or non-compliant behaviour, must outweigh good financial performance and result in a reduction in variable remuneration.

5.3 Relative criteria (external peers)

These are measures that compare performance with external peers.

However, these measures may have the disadvantage of generating procyclical consequences.

5.4 Absolute criteria

These are measures defined by the Company on the basis of its own strategy.

Its strategy includes its risk profile and risk appetite, as well as those of the funds it manages.

These performance criteria help to create a long-term incentive and serve in particular to mitigate the risk of awarding remuneration that would not be justifiable in view of the performance of the Company or the funds managed.

The criteria applied vary according to the roles performed by employees within the Company. No employee has variable remuneration explicitly linked to performance fees related to fund management, paid directly by the Company or by the fund itself for its own benefit, or linked to their personal turnover.

6. Remuneration structure (fixed/variable)

The variable portion of remuneration complements the fixed portion in a balanced manner, taking into account the professional's performance. It is paid by Indépendance AM to employees based on quantitative and qualitative criteria. It takes into account the regulations applicable to management companies, the actual profits made by the management company and is linked to the company's overall performance. This remuneration follows the following two principles:

- The fixed portion of remuneration must be sufficient to compensate the professional for the obligations of their position, the level of skill required, the responsibility exercised and the experience acquired.

- The separation between the fixed and variable components of remuneration is absolute. There must be no overlap between the two components of remuneration.

7. Maximum variable remuneration

The maximum variable remuneration may not exceed the amount specified in the activity programme.

7.1 Quantitative portion (50%)

Alignment with investors' interests

This portion of variable remuneration takes into account the funds' outperformance relative to their benchmark index over a rolling three-year period. The inclusion of a multi-year outperformance period aligns the long-term interests of investors with those of the team of portfolio managers and analysts at Indépendance AM.

Alignment with the Company's profitability

Incentive plan implemented since 2020 for all Indépendance AM employees. This incentive plan is linked to the Company's overall economic performance so that every employee can benefit from its profitability.

7.2 Qualitative component (50%)

The Company's policy is to limit the weight of strictly financial performance in the overall assessment of its employees' performance and, therefore, in the allocation of variable remuneration components.

These objectives aim to assess, beyond intrinsic performance, the manner in which this performance was achieved, as well as individual participation in Indépendance AM's progress and extra-financial commitments.

Quality of analysis and behavioural criteria

Quality of financial and extra-financial analyses, teamwork, transparency, information sharing, participation in collective success

Non-financial and integration of sustainability risk (Art. 5 SFDR)

Active participation in the Company's progress and extra-financial commitments. Portfolio managers and analysts play an important role in the Company's extra-financial approach. They take part in the financial and extra-financial analysis of portfolio companies and participate in the constructive dialogue policy during their regular contacts with the management of these companies.

An assessment of their involvement in these engagement activities is included in their qualitative variable remuneration.

8. Proportionality principle

8.1 Requirements subject to proportionality

The Company applies the principles of proportionality to the following requirements:

Requirements that may be subject to the application of the proportionality principle	
Payment of part of variable remuneration in the form of instruments	<input type="checkbox"/>
"Retention"* of variable remuneration	<input type="checkbox"/>
"Deferral"* of part of variable remuneration	<input type="checkbox"/>
Incorporation of ex post risks for variable remuneration	<input type="checkbox"/>
Requirement to establish a remuneration committee	<input type="checkbox"/>

* within the meaning of ESMA

8.2 Justification of the principle of proportionality

Criteria justifying the application of the proportionality principle	Justifications	
Size	Around ten permanent employees, simple and straightforward organisation	<input checked="" type="checkbox"/>
Internal organisation	Streamlined governance structure, with direct communication between partners and managers	<input checked="" type="checkbox"/>
Nature, scope and complexity of activities	Management company focused on traditional strategies (listed European equities), without leverage or complex products. Assets under management remain moderate in relation to the market.	<input checked="" type="checkbox"/>

Consequently, the Company considers that strict application of the above requirements would be neither proportionate to its risk profile nor appropriate to its operational structure. These relaxations do not compromise sound and prudent risk management or the alignment of interests with investors. It will not apply the principles of payment in instruments, retention of instruments, deferral and malus for variable remuneration. No remuneration committee will be set up. The company does not plan to pay variable remuneration in excess of EUR 200,000.

9. Information

9.1 Employee information

The Company's employees are informed in advance and in a clear manner of the qualitative and quantitative criteria used to determine the amount of their remuneration, as well as the steps and timetable for the assessment of their performance.

This information may be communicated during annual assessments, when annual targets are set, or at any time during the financial year. The assessment criteria are communicated verbally and by email to ensure their traceability.

This Policy is made available to the AMF and to all employees of the Company.

9.2 Investor information

Website

The Policy is available on the Company's website.

Annual report of UCITS

The annual report sets out the principles of the Policy, the total amount of remuneration (fixed and variable) and the aggregate amount of remuneration, as well as any changes to the Policy. Annual reports can be obtained on request from the Company.

10. Adoption, monitoring of implementation and review of the Policy

10.1 Adoption

The Policy is approved by the Company's management and is reviewed annually. The principles of the Policy will be updated in line with regulatory developments.

Management reviews the general principles of the Policy at least once a year. It must also approve any subsequent significant deviations or amendments to the Policy and carefully examine and supervise its effects.

10.2 Monitoring the effective implementation of the Policy

Management ensures the effective implementation of the Policy on an annual basis. It is responsible for its implementation and supervises it.

It is responsible for:

- Approving the calculation method and the overall amount of the variable remuneration package to be allocated;
- validating the principles to be applied in relation to salary increases, changes in duties and the allocation of the variable component;
- validating the individual amount of the variable portion of remuneration based on the objectives set and the qualitative and quantitative criteria to be applied;
- ensuring that variable remuneration is not determined by instruments or methods that would circumvent this remuneration policy.