

Thematics AM Remuneration policy Updated as of April 25th, 2024

The Remuneration Policy complies with the Natixis remuneration policy and is established in accordance with European and national rules on remuneration and governance pursuant to:

- 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), which was 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, which was transposed into the French monetary and financial code by Order 2016-827 of 23 June 2016, supplemented by Delegated Regulation 2017/565/EU of 25 April 2016 (the "MiFID ii Directive")
- Article L533-22-2 of the French monetary and financial code
- Article 321-125 of the AMF's General Regulations
- The guidance issued by the European Securities and Markets Authority (ESMA) on 3 June 2013 (ESMA/2013/606) and 31 March 2016 (ESMA/2016/411) (hereafter the "ESMA Guidelines").
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

This THEMATICS AM Remuneration Policy is composed of general principles that apply to all employees (section 1 below), principles that apply specifically to the population identified in UCITS V (section 2), and a governance system that applies to all employees (section 3).

This policy applies to remuneration which THEMATICS AM pays directly to its employees.

1. GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The Remuneration Policy is a key component of THEMATICS AM's overall policy. In addition to motivating and engaging employees, it seeks to ensure that:

- THEMATICS AM observes sound financial management and complies with its regulatory obligations,
- risk-taking is not promoted among investment management staff, and that the company is well perceived and competitive in terms of the remunerations observed in its sector.

One of the fundamental principles of THEMATICS AM's Remuneration Policy is that employee interests must be consistent with investor interests. It does this by:

- promoting sound and effective risk management and not encouraging risk-taking that would be incompatible with the risk profiles, regulatory obligations and constitutive documents of the products that THEMATICS AM manages;
- complying with the economic strategy, objectives, values and interests of THEMATICS AM, of the products it manages, and of investors, and providing measures to prevent conflicts of interests.

In order to comply with and adapt to changes in the regulatory or market environments and in Natixis' remuneration policy, the Remuneration Policy is reviewed and submitted for approval annually. The THEMATICS AM Supervisory Board monitors, evaluates and validates the policy before it is deployed.

The Remuneration Policy encompasses all components of remuneration while distinguishing fixed and variable remuneration and ensuring that they are properly balanced.

Employees receive fixed remuneration as compensation for the skills, professional experience and level of responsibility that their job requires. Fixed remuneration takes into account market conditions and practices.

Variable remuneration is based on an assessment of the collective performance of both THEMATICS AM and the products it manages, and of individual performance. It is based on quantitative and qualitative criteria, which may be assessed annually or over a period of two or more years to limit the impact of purely financial performance and/or short-lived returns.

1.1. THEMATICS AM's remuneration principles

The remuneration of THEMATICS AM's salaried employees is composed of the following:

- A fixed salary
- Individual variable remuneration
- Benefits in kind.

THEMATICS AM regularly compares the various components of the remunerations it pays to its employees to those within its market to ensure that they are competitive and balanced. THEMATICS AM in particular makes sure that the fixed component of remuneration is a sufficiently high proportion of the total remuneration.

Depending on their responsibilities, skills and performance, employees will be entitled to all or some of the remuneration components.

Employees shall have no inherent vested right to variable remuneration. The terms and conditions of remuneration comply with the applicable regulations and with the general principles of Natixis' remuneration policy.

1.2. Performance

A prerequisite of THEMATICS AM's Remuneration Policy is the objective and transparent evaluation of annual and multi-annual performance on the basis of predefined objectives. This ensures that employee performance is recognized and that employees are treated equitably. The evaluation of performance is discussed between employees and their supervisors during an annual performance review.

Each employee's contribution and level of performance is assessed in relation to the employee's day-to-day work and duties and his or her level of responsibility

within THEMATICS AM. Accordingly, the Remuneration Policy applies different performance criteria for the following categories of staff:

- Senior managers are evaluated by the Supervisory Board on the basis of their contribution to defining and implementing THEMATICS AM's strategy, their ability to develop effective products and services, and risk-adjusted financial performance. For this category of personnel, performance is assessed annually on the basis of business activities which are monitored using quantitative indicators that include the financial performance of these activities and of THEMATICS AM in general, and also on the basis of qualitative criteria, such as the quality of the person's management and/or leadership of cross-functional projects or contribution thereto.
- Employees in support functions are evaluated on their effectiveness in helping THEMATICS AM achieve its strategic objectives. Individual performance is assessed annually based on the quality of recurring business and/or the degree of participation in cross-functional projects or strategic/regulatory projects.
- The performance of internal control personnel is assessed exclusively on the basis of qualitative criteria, such as participation in cross-functional projects and strategic/regulatory projects. These criteria are defined annually so as to avoid compromising the independence of these employees or creating a conflict of interests with the activities they monitor.
- The performance of portfolio managers is assessed using quantitative criteria, as well as qualitative ones. These quantitative criteria must reflect the asset management performance objectives of investors, but without promoting excessive risk-taking that could adversely affect the risk profile of THEMATICS AM and/or of the products it manages. These quantitative criteria are calculated over a predefined period that is consistent with the risk-adjusted performance horizon of the funds managed and of THEMATICS AM, to reflect its objective of sustaining performance over the long term and to limit the impact of short-lived returns. Specific criteria taking into account sustainability risks (such as environmental, social or governance issues) are taken into account for all portfolio managers.

The evaluation of performance includes the use of qualitative criteria for all employee categories. These qualitative criteria systematically include compliance with regulations and with THEMATICS AM's risk-management and compliance procedures.

They may also measure the quality of the relationship with clients, such as the level of expertise and advice provided, the employee's contribution to making a process more reliable, participation in a cross-functional project, assistance in developing new expertise or in improving operational efficiency, or work in any area that furthers THEMATICS AM's strategic objectives.

All quantitative and qualitative objectives for each employee category are defined in accordance with THEMATICS AM's strategic objectives and communicated to employees at the beginning of each year.

1.3. Remuneration components

The remuneration paid to THEMATICS AM employees is composed of the following:

1.3.1. Fixed remuneration

THEMATICS AM makes sure to maintain a level of fixed remuneration that is sufficient to remunerate the work of its employees. The amount of this remuneration is based on the salaries paid in the marketplace, and is therefore sufficient to maintain a qualified and experienced staff. It is checked that the fixed remuneration for a given position is in line with the level of remuneration observed in the asset management industry.

The fixed remuneration provides compensation for the skills, professional experience and level of responsibility that is expected for the employee's position. This remuneration is specific to each employee and is specified in his or her employment contract.

Fixed remunerations are periodically reviewed to ensure that they are consistent with the local market and professional practices.

Fixed salaries are reassessed during the annual remuneration review. The main reassessment criteria are the effectiveness and efficiency in performing day-to-day tasks and duties and/or changes in the labor market or inflation. Outside of the annual review period, remuneration may only be reassessed in the event of promotion or transfer within the company or in response to an exceptional personal situation.

1.3.2. Variable remuneration

Variable remuneration is paid in addition to fixed remuneration. Its amount depends on THEMATICS AM's annual results and the achievement of its targets, and on the achievement of individual objectives.

Variable remuneration may therefore be awarded as compensation for an employee's annual performance within the framework of collective performance.

The amounts of the annual variable remuneration budgets depend on THEMATICS AM's annual results and on qualitative factors, such as the practices of competitors, the general market conditions in which the annual results were achieved and factors that may have temporarily influenced business performance.

Individual variable remunerations, which may not exceed the annual variable remuneration budgets, are awarded in a discretionary and objective manner that is based on an evaluation of the employee's individual performance and the manner in which this performance is achieved.

They are not determined by any pre-established quantitative formula, for example based on financial performance, assets under management or fund inflows. The evaluation criteria are essentially qualitative.

The amount of variable remuneration paid to employees is reduced in the event of inappropriate management of risks and/or compliance, or the non-observance of

regulatory requirements or internal procedures during the year under review (see section I-1. above).

Identified persons are subject to specific risk management and compliance obligations. The variable remuneration of employees who fail to comply with these obligations may be reduced or not awarded.

In the event of a significant decline in profits, or a loss, THEMATICS AM may also decide to reduce or even cancel its budget for individual variable remunerations, and also variable remuneration that has been awarded but has not vested.

In case of the materialization of a major sustainability risks, eg the occurrence of an event or a situation in the environmental, social or governance front, which would have a significant and long-lasting negative impacts on the NAV of funds/products managed, THEMATICS AM may decide to reduce or even cancel its budget for individual variable remunerations, and also variable remuneration that has been awarded but has not vested.

No variable remuneration is contractually guaranteed, with the possible exception of that which may be granted for the first year of employment of an externally recruited employee whose contract is not automatically renewed. This practice is by no means systematic.

"Golden parachute" type payments are prohibited. Payments for the early termination of an employment contract must either be required by law or be contractual and shall depend on the performance of the employee, of his or her department or activity, and of THEMATICS AM as a whole over an extended period and shall be conceived so as to avoid rewarding failure.

Variable remuneration shall not be paid using instruments or methods that may be used to circumvent regulatory requirements

1.3.3. Key employee retention plan

THEMATICS AM seeks to ensure its investors that it will retain its most talented employees, and those who have distinguished themselves through their commitment or contribution to its success.

To this end, the remuneration policy includes a deferred remuneration plan.

Under this plan, a portion of the variable remuneration that exceeds a variable threshold is awarded in the form of a cash instrument that is indexed to the performance of a basket of products or of a representative fund which THEMATICS AM manages. The portion of the variable remuneration thus deferred shall vest in equal instalments over a period of at least 3 years, so as to enable THEMATICS AM's employees to share in its long-term success.

This plan requires that employees remain employed by THEMATICS AM and refrain from unusual behavior that may affect the risk exposure of THEMATICS AM and/or of the products it manages. To ensure that risk exposure is properly adjusted ex post, the vesting of these instalments may be cancelled in part or in whole.

1.3.4. Allocation of performance shares

Employees may be eligible, as part of long-term plans, for the grant of performance shares, the acquisition of which is subject to a performance condition appreciated over at least two financial years, as well as conditions of presence and absence of exceptional behavior that may impact the risk level of Thematics and/or managed products. This mechanism aligns the interests of employees with those of investors. It falls within the scope of the UCITS V directive.

1.3.5. Balance between fixed and variable remuneration

THEMATICS AM ensures that there is an appropriate balance between the fixed and variable components of the total remuneration and that the fixed component represents a proportion of the total remuneration that is sufficiently high to enable the variable components to be managed in a highly flexible manner that includes the possibility of not paying any variable remuneration at all.

During the annual review of remuneration Executive Management must document all cases in which an individual's variable remuneration exceeds twice his or her fixed remuneration and which are consistent with market practice and/or an exceptional level of responsibility, performance and behavior.

2. MEASURES THAT APPLY TO THE IDENTIFIED POPULATION PURSUANT TO UCITS V

2.1. The identified population

In accordance with the regulatory provisions, THEMATICS AM's identified population spans various categories of personnel which include Executive Management and comprise risk-takers, persons who exercise a control function, employees whose total remuneration is in the same bracket as that of Executive Management and risk-takers, and employees whose work has a significant impact on the risk profile of THEMATICS AM and/or of the products it manages. These persons are identified on the basis of their work activities, their level of responsibility or their total remuneration.

To ensure consistency and uniformity, THEMATICS AM has decided to apply the measures implemented for the identified population to all of the products it manages.

The following population categories have been identified:

- The members of the executive body
- Employees involved in asset management
- Employees in charge of control functions (i.e., risk management, compliance and internal control)
- Employees in charge of support or administrative functions
- Other risk-takers

- Employees whose total remuneration is in the same remuneration bracket as that of Executive Management and risk-takers

Each year, prior to the annual remuneration review, the Permanent Control and Risk Management department determines and sets forth in writing the identification methodology and the scope of THEMATICS AM's identified population, in conjunction with NATIXIS IM's Human Resources Department.

The scope of the identified population is then validated by THEMATICS AM's Executive Management, shared and controlled by the Supervisory Board, in its oversight role, and presented to the NATIXIS Remuneration Committee.

The entire identification process is documented and archived by THEMATICS AM. The employees thus identified are informed of their status.

2.2. Measures applying to the variable remuneration awarded to the identified population

In accordance with regulations and in order to ensure that the interests of employees, investors and THEMATICS AM are aligned, when the variable remuneration of the identified population exceeds a certain threshold, a portion is deferred and another portion is awarded in the form of a financial instrument over a minimum vesting period of three years with vesting on a pro rata basis.

The proportion of variable remuneration that is deferred over three years increases in proportion to the amount of the variable remuneration that is awarded and may be as high as 60% for the highest THEMATICS AM remunerations.

Above the award threshold of €200k, the variable remuneration of the identified population is deferred as follows:

- Up to €199k of variable remuneration, no differed payment,
- From €200k to €499k inclusive: 50% of the amount from the first euro is deferred and paid in cash over three years
- Above €500k: 60% of the amount from the first euro is deferred and paid in cash over three years.

The thresholds for the deferral of variable remuneration may be modified to comply with regulations or a change in a company policy. Such new thresholds are subject to the approval of THEMATICS AM's Executive Management and the NATIXIS Remuneration Committee.

At least 50% of the variable remuneration is furthermore awarded in the form of a cash instrument that is indexed to the performance of a basket of products or of a representative fund that THEMATICS AM manages.

The vesting of the portion of the variable remuneration that is deferred is subject to the requirement that the employee remain employed by THEMATICS AM and refrain from unusual behavior that may affect the risk exposure of THEMATICS AM and/or of the products it manages.

This vesting is also subject to the observance of risk management and compliance obligations. The variable remuneration of employees who fail to comply with these obligations may be reduced or not awarded. Variable remuneration may also be reduced or not awarded if it is necessary to adjust risk exposure ex post.

The deferred portion of variable remuneration is not definitively vested until the payment date and cannot be made available to employees before this date.

Employees who are entitled to deferred variable remuneration are prohibited from using individual hedging or insurance strategies throughout the vesting period.

The terms and conditions for the determination, valuation, awarding, vesting and payment of deferred variable remuneration in the form of a financial instrument are set forth in the THEMATICS AM Long Term Incentive Plan (LTIP).

3. REMUNERATION GOVERNANCE

3.1. General and specific principles

The Remuneration Policy's general and specific principles are decided and set forth in writing by THEMATICS AM's Executive Management.

THEMATICS AM's Permanent Control and Risk Management department plays an active role in the Remuneration Policy's development, continuous monitoring and evaluation.

It is thus involved in determining THEMATICS AM's overall strategy to ensure that risks are effectively managed. Accordingly, it helps determine the scope of the identified population. It is also responsible for assessing the variable remuneration system's impact on the risk profile of portfolio managers.

THEMATICS AM's Remuneration Policy is validated by its Supervisory Board, in its of oversight role.

The Remuneration Policy's general and specific principles, its terms and conditions, the summary figures related to the identified population, as well as the highest remuneration levels are reviewed in details and approved by THEMATICS AM executive committee, and then by an Intermediary Committee comprising THEMATICS AM executive committee and NATIXIS IM Executive Management. Subsequently, NATIXIS IM Executive Management submit for approval a synthesis of these data to NATIXIS Executive Management, and ultimately to NATIXIS Remuneration Committee.

Senior managers do not participate in decisions relating to their remuneration.

As a NATIXIS Group company, THEMATICS AM reports indeed to the NATIXIS Remuneration Committee, since it does not have its own Remuneration Committee.

The NATIXIS Remuneration Committee was established and acts in accordance with its regulatory requirements with respect to:

- the independence and expertise of its members, as a majority of the members, including the President, do not have Executive roles neither within THEMATICS AM, nor with NATIXIS, and as such are fully independent,
- the exercise of its duties, which for fund management companies include the following:
 - o making recommendations to and assisting the Board of Directors with the preparation and implementation of THEMATICS AM's Remuneration Policy
 - o assisting the Board of Directors with the supervision of the preparation and operation of THEMATICS AM's remuneration system
 - o carefully assessing the measures adopted to ensure that the remuneration system takes appropriate account of all categories of risk, liquidity and the amounts of assets under management, and that the Remuneration Policy is compatible with the economic strategy, objectives, values and interests of THEMATICS AM, of the products it manages, and of investors.

In view of the above, the NATIXIS Remuneration Committee ultimately reviews the THEMATICS AM Remuneration Policy's general and specific principles, its compliance with the applicable regulations, its terms and conditions, the summary figures, the identified population and the highest remunerations and submits its review to the approval of the NATIXIS Board of Directors, in its role of oversight function.

The remuneration of THEMATICS AM's President is decided by the Executive Management of NATIXIS IM and NATIXIS, and then presented to the NATIXIS Remuneration Committee.

The remunerations of THEMATICS AM's Chief Risk and Compliance Officers are reviewed under an independent review process that is overseen by NATIXIS IM's Chief Risk and Compliance Officers. These remunerations are then submitted to the NATIXIS Remuneration Committee.

Ultimately, all the roles and duties of the remuneration committee, which are referred to by the applicable regulation, are in fact exercised by the Intermediary Committee, comprising THEMATICS AM Executive Committee and NATIXIS IM Executive Management.

3.2. Transparency measures

All employees are informed of the Remuneration Policy's general and specific principles.

The policy is reviewed, validated and communicated annually. The policy is adapted to accommodate changes in the regulatory or business environment, and in accordance with the NATIXIS Remuneration Policy.

THEMATICS AM complies also with its obligation in terms of external communication and transparency. It informs indeed fund investors of the main features of the Remuneration Policy. Relevant information on the Remuneration Policy is additionally provided in the annual accounts or in an independent statement. This policy is available on THEMATICS AM's public website.

3.3. The monitoring of variable remuneration

The purpose of the Remuneration Policy is to minimize the risks that may arise from variable remuneration. The monitoring of its observance is included in the Chief Internal Control and Compliance Officer's annual internal control program.

The CICO's monitoring consists of verifying that the Remuneration Policy is consistent with the economic strategy, long-term objectives, values and interests of THEMATICS AM, of the funds it manages and of investors, and that risk management is sound and effective.

The THEMATICS AM CICO takes variable remunerations into account when assessing potential conflicts of interests.

Lastly, the THEMATICS AM Remuneration Policy is audited annually and independently by the NATIXIS IM Internal Audit Department.