

Remuneration policy

Summary

ABN AMRO Investment Solutions belongs to the Neuflyze OBC UES (Unité Economique et Sociale), has delegated management of its human resources to Neuflyze OBC, another French subsidiary of ABN AMRO Group's, and applies a remuneration policy derived from that applied by the Neuflyze OBC Group, adapted to the specificities of the asset management business, including regulatory requirements.

This document presents extracts from Neuflyze OBC's remuneration policy as well as the appendix specifying the specificities of the policy applied to AAIS, without distinguishing the source of the extract explicitly, considering that these two documents form a whole.

The AAIS remuneration policy details the identification, performance and payout criteria applicable to identified employees within ABN AMRO Investment Solutions (AAIS), in accordance with applicable group-wide and management company-specific regulations.

1. Remuneration policy governance

The Remuneration Policy is validated by the Supervisory Board of AAIS, based on a proposal made by its Remuneration Committee. The Remuneration Policy is reviewed annually by the Supervisory Board.

In accordance with the regulations, the list of employees regulated by local or global provisions must be reviewed annually.

In accordance with the applicable regulations, the Control functions are involved in the implementation, review and application of the remuneration policy. Said Control functions include the following:

- AAIS Risk Management;
- AAIS Compliance Department;
- Neuflyze OBC's Audit Department, operating in particular on behalf of AAIS.

The control functions will also be able to rely on the expertise of the ESG team to determine whether the sustainability dimension has been properly taken into account in the exercise of the employees' roles, both from the point of view of the impact of the investments and the consideration of sustainability-related risks.

2. Population regulated by global provisions

At ABN AMRO level, the list of persons belonging to the regulated category of staff (Identified Global Employees) based on the EBA RTS is reviewed annually.

All remuneration decisions concerning Neuflyze OBC UES employees belonging to the regulated category according to ABN AMRO criteria must be submitted for formal approval to the ABN AMRO Managing Board and Supervisory Board.

A Variable Compensation Plan has been established by ABN AMRO for regulated employees as a result of the global arrangements.

Variable compensation meeting the following two conditions will be granted without the application of deferrals and will therefore be paid with a cash payment in March N+1. The two cumulative conditions are as follows:

- Nominal amount of the variable remuneration less than €50,000;
- Nominal amount of the variable remuneration representing less than 10% of the annual fixed remuneration of the employee concerned.

In the other cases, the variable remuneration allocated to the above-mentioned employees is divided into two parts, one initial and one deferred. These two parts are in turn divided into two equal parts, one cash and one non-cash.

The non-numbered shares take the form of instruments called Depositary Receipts ("DRs"). A DR is a certificate representing one ordinary share in the capital of ABN AMRO Bank, listed on Euronext. The value of the non-denominated instrument in the form of DRs will, on the day of their release (after a holding period of 1 year), be indexed to the underperformance, if any, of the Net Asset Value of the units of the multi-asset sub-fund (profile 2) of the AA MMF SICAV. This sub-fund is invested in pools representing the different management styles implemented by the management company.

Immediately prior to the vesting of the deferred variable remuneration units, the performance target scores for the relevant period are reassessed. This reassessment will take place after respectively one, two, three and four years after the end of the year in which the grant was made.

Following the recommendations of these bodies, Neuflyze OBC's HRD and AAIS management may adjust the variable remuneration downwards and even decide not to pay all or part of the variable remuneration that remains unpaid. Under no circumstances may

ex-post risk adjustments result in an increase in variable compensation.

The amount of variable compensation awarded to the identified employee may be reassessed for a potential downward adjustment (malus) in the following cases

- in the event of non-compliance with standards of good conduct or a serious error on the part of the employee (e.g. non-compliance with internal regulations or other internal rules, in particular those relating to risk management), and/or
- Substantial losses suffered a posteriori by ABN AMRO (on a consolidated basis) and/or the legal entity in which the employee works, and/or
- substantial losses suffered by the relevant business lines of ABN AMRO (on a consolidated basis) and/or the legal entity in which the employee works, and/or
- significant changes in ABN AMRO's own fund ratios (economic or regulatory).

The conclusions of this reassessment will be made available to the AAIS Remuneration Committee and to the ABN AMRO Managing Board and Supervisory Board.

3. Population regulated by local provisions

The materiality threshold applied by ABN AMRO when identifying staff likely to have an impact on its risk profile is different from that used locally within the Neuflyze OBC UES. In accordance with the principles of sound management and with regard to the directives applicable to asset management (UCITS and AIFMD), this results in the existence of a category of regulated staff comprising AAIS employees. This category of staff is considered to be regulated by local provisions and includes employees identified by ABN AMRO Investment Solutions.

To date, the employees identified as falling under these provisions include, within the asset management company, the following functions

- Members of the AAIS Supervisory Board;
- Members of the Management Board;
- Members of the Executive Committee;
- The Heads of the management divisions;
- Portfolio managers;
- The Head of Compliance and Internal Control
- The Head of Risk Management;
- The Head of the sales teams;
- Any other employee who has an impact on the risk profile of AAIS similar to that of the above-mentioned functions.

It should be noted that, for AAIS employees who belong to both the regulated population under the global provisions and the local provisions, only the terms and conditions relating to the status of employee identified under the global provisions apply.

The terms of allocation and payment of the variable remuneration for this category of employees are the same as those applied to all (non-identified) AAIS staff, i.e. a variable remuneration paid in March N+1.

The objectives of employees belonging to ABN AMRO Investment Solutions (AAIS) and regulated under the regulations applicable to management companies by local provisions follow the same structure as that applicable to other (non-identified) employees of the Neuflyze OBC Group.

4. Performance management

The Neuflyze OBC UES's performance management system is based on the SMART method (Specific, Measurable, Achievable, Realistic and Time-bound objectives), which means that objectives are precisely identified and observable through indicators known to the employee.

The performance criteria are based on achievable objectives that employees can influence to a certain extent, directly and/or indirectly. The objectives must not be set in such a way as to create an incentive to take excessive risks, or to sell products in an abusive

or fraudulent manner, and must not lead to conduct or actions that are not in the best interests of our customers. The objectives must be in line with the Neuflyze OBC UES's overall strategy, as well as its risk profile, values and long-term interests, including in particular the sustainability objectives set by ABN AMRO and to which the Neuflyze OBC Group UES adheres, in terms of social commitment or in terms of the sustainability impacts and risks of the products and services provided to our clients.

The achievement of these objectives, set in consultation between the employee and his/her manager at the beginning of the performance period, will determine the employee's eligibility for variable remuneration for the same period.

In collaboration with the Human Resources Department, Compliance defines the Banking Licence framework, the mechanism that allows objectives to be set for each employee according to his or her risk profile within the Neuflyze OBC UES and that complies with the applicable internal regulations and policies.

Such assessments include

- good participation in mandatory training;
- appropriate application of internal policies and regulations;
- compliance with the Neuflyze OBC Code of Conduct;
- and, for employees who have a direct relationship with external clients, compliance with their obligations to clients and appropriate monitoring of client transactions.

The Compliance Department issues an opinion on the way in which employees respond to these elements.

For "Identified Employee" staff at the Global level, a specific Banking Licence procedure is applied by the ABN AMRO Group Audit, Risk and Compliance Departments.

The outcome of the Banking Licence may lead to an impact on the overall assessment of the employee and consequently on the variable remuneration, leading to a reduction or even a cancellation of the amount granted.

5. Guiding principles for remuneration

The remuneration policy of the Neuflyze OBC UES complies with the regulatory framework applicable to each of the entities of which it is composed, notably the Alternative Investment Fund Managers Directive (AIFMD) and the Directive on undertakings for collective investment in transferable securities (UCITS) applicable to AAIS.

The Neuflyze OBC UES applies remuneration policies and practices that take into account the interests of all the firm's clients, in order to ensure that clients are treated fairly and to avoid any impact on their interests by the remuneration practices adopted by the firm in the short, medium or long term. The policy is designed to avoid creating any conflict of interest or incentive that might lead the individual concerned to favour his or her own interest, or that of the firm, over that of a client.

The remuneration policies of ABN AMRO and of the Neuflyze OBC UES support the principle of equal pay for equal work, regardless of the gender of the employees performing the work. The gender of employees should not be a factor in any aspect of this remuneration policy.

The regulatory framework provides strict conditions for determining whether remuneration elements should be considered fixed or variable. Therefore, a remuneration element will only be considered as fixed if all the following conditions are met

- Predetermined (i.e. agreed in advance);
- Non-discretionary;
- Transparent for all employees;
- Permanent (over the reference period);
- Non-revocable;
- Payment of which cannot be reduced, suspended or cancelled;
- Payment of which does not induce risk-taking, and
- Payment of which does not depend on the level of performance.

If a remuneration component does not meet these conditions, it will be considered as a variable remuneration component.

Fixed remuneration elements:

- **Base salary:** base salary is the total annual contractual fixed amount of remuneration paid directly, or indirectly and on its behalf, by an entity of the Neuflyze OBC UES in exchange for professional services rendered by employees of the Neuflyze OBC UES.
- **Indemnities and compensation:** Individual allowances and compensation (such as for overtime...) are governed by the Collective Agreement applicable within the Neuflyze OBC UES entities. Allowances and compensation will qualify as fixed remuneration if they are specified in a Neuflyze OBC UES policy, payments are mandatory under the national legal framework, and they are based on a policy.
- **Benefits:** benefits are generally specific to the country of employment contracts. The ABN AMRO Group provides benefits where they are justified by local market practices and in a manner that respects local competitiveness.

Within the Neuflyze OBC Group UES, various forms of variable remuneration may apply:

- **Discretionary variable remuneration:** employees with an open-ended contract are eligible for discretionary variable remuneration under the following conditions: (i) the assessment of the employee has been completed and formalised in the dedicated HR system, and includes a general comment from the manager such as "achievements above expectations" or "achievements at the level of expectations", (ii) the general comment from the manager "achievements below expectations" does not trigger eligibility for variable pay, (iii) the employee has worked for more than 3 months during the performance year, and is present in the workforce on 31 December of the performance year, (iv) the employee has not been reported as a defaulter in the Banking Licence.
- **Profit-sharing and incentive schemes (French "Intéressement" and "Participation"):** employees bound by an employment

contract to one of the entities of the Neuflyze OBC Group UES who have worked for more than three months during the year in question are eligible for profit-sharing and incentive schemes. Within the Neuflyze OBC ESCU, the practice of allocating profit-sharing and incentive payments is governed by company agreements and is not affected by the Dutch Financial Supervision Act. Similarly, the conditions for calculating and paying out profit-sharing and incentive payments remain unchanged with respect to this Act.

The allocation of variable remuneration enables the Neuflyze OBC UES to reward performance that makes a real and lasting contribution to its strategy. The level of variable remuneration must prevent staff from taking risks that are disproportionate to AAIS's business model, particularly in terms of sustainability in line with the objectives set within ABN AMRO, objectives to which the Neuflyze OBC UES fully subscribes, and moderate risk appetite aimed solely at achieving short-term gains.

According to these regulations and guidelines, a balance between fixed and variable remuneration elements will be maintained at all times, so that the compensation structure does not favour the interests of the company or the individuals concerned to the detriment of the client.

The Dutch Financial Supervision Act (WFT Act) applies in addition to the European CRD IV legislation. This law, applicable to all foreign subsidiaries of ABN AMRO, imposes a cap on the variable remuneration awarded in a performance year of 100% of the actual fixed remuneration amount for employees working in the European Economic Area and outside the Netherlands. For employees belonging to the so-called "Control" functions the maximum variable remuneration ratio is set at 90%.

The use of personal hedging strategies to offset any of the effects of the Neuflyze OBC UES's remuneration policy as described in this document is strictly forbidden for all employees of the UES.