

The NEUFLIZE OBC GROUP

Compensation Policy

**Appendix 2 applicable to identified staff
at ABN AMRO Investment Solutions**

November 2020

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FOREWORD

This appendix is directly linked to the Neuflyze OBC Group's Compensation Policy. It sets out the identification, performance and payment criteria applicable to identified staff at ABN AMRO Investment Solutions (AAIS), under regulations applicable at group level and specific to management companies.

Neuflyze OBC may update this Appendix to take account of regulatory changes, market practices and decisions taken by ABN AMRO.

Any reference to the asset management subsidiary of the Neuflyze OBC Group also extends to its subsidiaries and, therefore, to all its employees.

The Neuflyze OBC Group's Human Resources Department is responsible for the human resources management of Neuflyze OBC's asset management subsidiary.

I. GOVERNANCE OF THE COMPENSATION POLICY

The Compensation Policy, to which this document is appended, is approved by the Supervisory Board of the Neuflyze OBC Group's asset management subsidiary, based on a recommendation made by its Compensation Committee. The Compensation Policy is reviewed annually by the Supervisory Board.

As required by law, the list of employees governed by local or global provisions must be reviewed annually. Chapter II of this document contains an overview of the identification, performance and payment criteria applicable to all employees governed by the global provisions. Chapter III contains an overview for employees governed by local provisions.

1.1. Compensation Committee of Neuflyze OBC's asset management subsidiary

The Compensation Committee of the asset management subsidiary of Neuflyze OBC meets at least once a year and as often as necessary. Its role is to:

- study the company's compensation policy and the categories of staff as defined by regulations,
- make recommendations on the components of the compensation of executive managers, heads of control functions and the employees receiving the highest compensation,
- report on its work and submit its recommendations to the asset management subsidiary's Supervisory Board, particularly in relation to the compensation policy.

This committee is attended by two members of the Managing Board of Neuflyze OBC, including the global head of the Products & Solutions business line.

1.2. The Neuflyze OBC Group's Technical Compensation Committee

The composition and duties of the Neuflyze OBC Group Technical Compensation Committee are set out in detail in the Neuflyze OBC Group's Compensation Policy.

The Neuflyze OBC Group's Technical Compensation Committee covers the Neuflyze OBC Group's asset management company.

1.3. The role of the "Control" functions

Under applicable regulations, the "Control" functions are involved in implementing, reviewing and applying the compensation policy.

The "Control" functions comprise the functions within:

- The Risk Department of Neuflyze OBC's asset management subsidiary
- The Compliance Department of Neuflyze OBC's asset management subsidiary
- The Neuflyze OBC Group's Audit Department, operating on behalf of Neuflyze OBC's asset management subsidiary

II. GROUP REGULATED BY GLOBAL PROVISIONS

2.1. Identification

The European Banking Authority (EBA) has published Regulatory Technical Standards - March 2014 C (2014) 1332 final) that define criteria for identifying categories of staff whose professional activities may have a material impact on an institution's risk profile. These employees are defined as "Identified Staff". Employees may become Identified Staff based on qualitative criteria (position, role), and/or quantitative criteria (income).

At the ABN AMRO Group level, the list of persons included in the regulated category of staff (Identified Global Staff) based on the EBA's RTS is reviewed every year. The way in which the ABN AMRO Group's methodology is applied is described in Chapter 9 of the Neuflyze OBC Group's Compensation Policy.

To date, the identification of Identified Global Staff, based on qualitative criteria, has led to the identification of the role of the Chairman of the Neuflyze OBC Group's asset management subsidiary. In the future, other roles may fall into the Identified Global Staff category.

All compensation decisions concerning the Neuflyze OBC Group's employees who fall in the regulated category under the ABN AMRO Group's criteria must be submitted for formal approval to the ABN AMRO Group's Managing Board and Supervisory Board.

AAIS employees who fall in the regulated category as a result of the global provisions also fall in the regulated category of staff under local provisions (identified local staff). For these persons, only the global provisions apply.

2.2. Performance management

The criteria used to set the targets and to assess the performance of staff identified under the ABN AMRO Group's provisions are set out in detail in the Neuflyze OBC Group's Compensation Policy (section 9.1.3 "criteria used to set targets and assess performance").

2.3. Payment procedures and structure of variable compensation

The ABN AMRO Group has a variable compensation plan (the "Variable Compensation Plan") in place for employees regulated under the global provisions.

2.3.1. Initial and deferred component

The variable compensation awarded to the above-mentioned employees is divided into two components, an initial and a deferred component, in the following percentages:

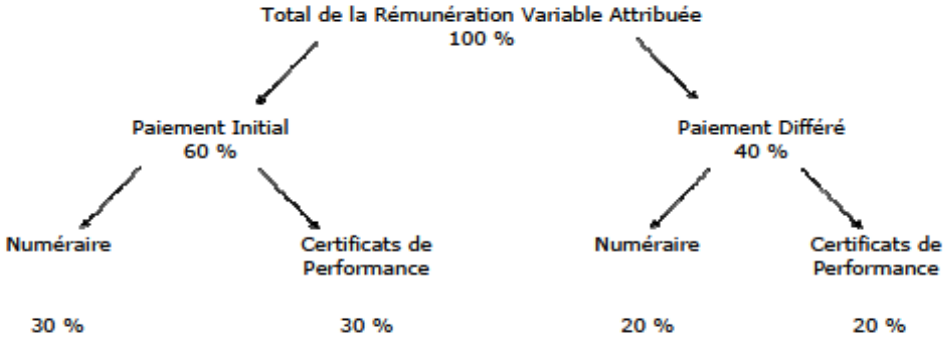
- Initial component: 60% of the total awarded
- Deferred component: 40% of the total awarded

These two components are themselves divided into two equal portions, a cash component and a non-cash component, in the following percentages:

- Initial cash component: 50% of the initial component (i.e. 30% of the total awarded)
- Initial non-cash component: 50% of the initial component (i.e. 30% of the total awarded)

- Deferred cash component: 50% of the deferred component (i.e. 20% of the total awarded)
- Deferred non-cash component: 50% of the deferred component (i.e. 20% of the total awarded)

Since 2016, non-cash components have taken the form of instruments called depositary receipts (“DRs”). A “DR” is a certificate representing one ordinary share in ABN ARMO, listed on Euronext. The value of the non-cash instrument in the form of a “DR” will, on the date on which it is paid (after a two-year retention period), 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 that are representative of the various management styles implemented by the management company. The indexation period is linked to the retention period. If a “DR” is awarded, the final number of “DRs” will be calculated at the time they are awarded by dividing the amount of the award by the share price on the date on which they are awarded.



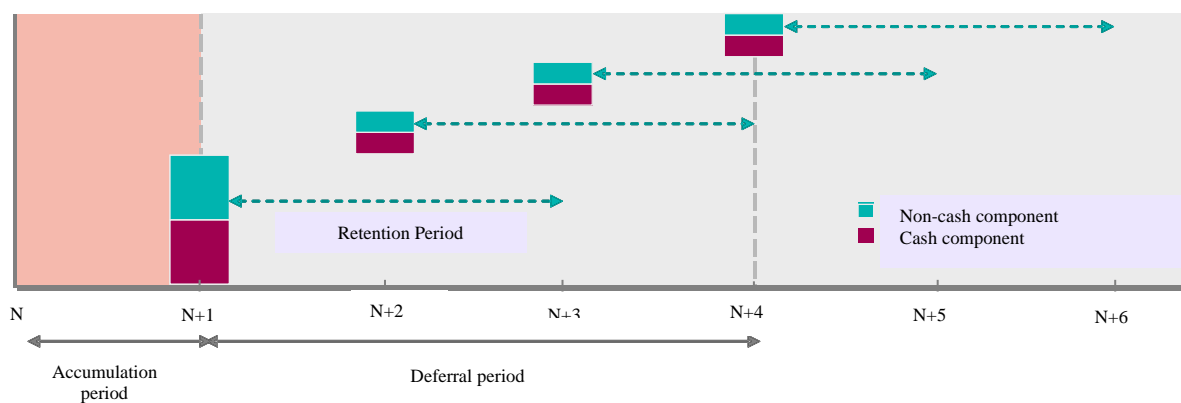
2.3.2. Vesting and payment

The initial component of the variable compensation awarded in respect of year N vests in March of year N+1. Under the regulations, one third of the deferred component of variable compensation awarded in March of year N+1 in respect of year N vests in each of the three financial years following the year in which it is awarded, i.e. March of year N+2, March of year N+3 and March of year N+4.

Performance certificates may only be paid in cash after a two-year retention period, i.e. performance certificates do not formally vest until the end of this retention period, and such payments require the employee to still be employed¹ and with variable compensation capped at 50% for employees in the ABN AMRO Management Group.

If an employee leaves the company before all outstanding components are settled and meets the conditions for payment of variable compensation on their departure date and on the date on which each of the outstanding deferred components is paid in cash, all normal terms and conditions and the initial vesting schedule will apply.

¹ If a member of the “Variable Compensation Plan” leaves the company as a “Good Leaver”, all normal terms and conditions and the initial vesting schedule will apply.



2.3.3. Adjustment

Just before the deferred variable components of compensation vest, the scores of the performance targets for the period in question are reassessed. This reassessment will take place one, two and three years after the end of the year in which the award was made.

The amount of the variable compensation awarded to the employee may be reviewed for potential downward adjustment in accordance with the terms and conditions set out in the Neuflyze OBC Group's Compensation Policy (paragraph 9.1.2 "annual review of the process"). The findings will then be submitted to the management company's Compensation Committee and the ABN AMRO Group's Managing Board and Supervisory Board.

Following the recommendations made by these bodies, the Neuflyze OBC Group may adjust the variable compensation downwards and even decide not to pay some or all of the variable compensation that has not yet been paid. Under no circumstances may ex-post risk adjustments result in an increase in variable compensation.

The amount of the variable compensation awarded to the identified employee may be reassessed for a potential downward adjustment in the following scenarios:

- in the event of non-compliance with standards of good conduct or a serious error by the employee (e.g. non-compliance with the rules of procedure or other internal rules, in particular those relating to risk management)
- and/or
- material losses sustained a posteriori by the ABN AMRO Group (on a consolidated basis) and/or by the legal entity for which the employee works,
- and/or
- material losses sustained by the relevant business lines of the ABN AMRO Group (on a consolidated basis) and/or by the legal entity for which the employee works.
- and/or
- material changes in the level of the ABN AMRO Group's capital (economic or regulatory).

The conclusions of this reassessment will be submitted to AAIS' Compensation Committee and the ABN AMRO Group's Managing Board and Supervisory Board.

Following the recommendations made by these bodies, the Neuflyze OBC Group may adjust the variable compensation downwards and even decide not to pay some or all of the variable compensation that has not

yet been paid. Under no circumstances may ex-post risk adjustments result in an increase in variable compensation.

2.3.4. Clawback

The clawback principle, described in detail in the Neulize OBC Group's Compensation Policy, applies, subject to the same conditions, to AAIS employees.

III. GROUP REGULATED BY LOCAL PROVISIONS

The materiality threshold applied by the ABN AMRO Group when identifying staff who may have an impact on its risk profile is different from the threshold applied at the local level by the Neuflyze OBC Group. In accordance with the principles of sound management and the directives on asset management (UCITS and AIFMD), the application of this threshold has created a regulated category of staff comprising employees of the Neuflyze OBC Group. This category of staff is considered to be regulated by local provisions and to include staff identified by ABN AMRO Investment Solutions.

3.1. Identification of staff

To date, employees identified as falling within these provisions have the following roles at the Neuflyze OBC group's asset management company:

- Members of the Supervisory Board of Neuflyze OBC's asset management subsidiary
- Members of the Management Board
- Members of the Executive Committee
- Heads of asset management divisions
- Portfolio managers
- Head of Compliance and Internal Control
- Head of Risk Management
- Head of sales teams
- Any other employee whose impact on the risk profile of Neuflyze OBC's asset management subsidiary is similar to that of the functions referred to above

It should be noted that, for AAIS employees who fall within the regulated group under both the global provisions and local provisions, only the procedures relating to identified staff under the global provisions apply.

3.2. Performance management

The targets of employees who work for ABN AMRO Investment Solutions (AAIS) and are regulated as a result of the regulations applicable to management companies under local provisions must have the same structure as the targets of other (unidentified) employees of the Neuflyze OBC Group.

The accumulation period, during which performance is assessed and measured in order to calculate the relevant employee's compensation, is set at one year.

3.3. Payment procedures and structure of variable compensation

The methods for awarding and paying variable compensation for this category of employees are the same as those applied to all (unidentified) Neuflyze OBC Group employees and described in paragraph 6 "variable compensation" of the Neuflyze OBC Group's Compensation Policy.

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