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DEGROOF PETERCAM ASSET MANAGEMENT

Remuneration policy

Degroof Petercam Asset Management

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1. Introduction

This document is the general remuneration policy (the “**Remuneration Policy**”) of Degroof Petercam Asset Management (hereinafter “**DPAM**”), a subsidiary of Bank Degroof Petercam, a Belgian credit institution.

1.1 Scope

The Remuneration Policy serves as a remuneration policy for all Employees, including Employees performing Control Functions as well as persons designated as Identified Staff. These persons are DPAM Employees designated by the Management Board in accordance with the selection methodology and criteria established by the Board of Directors of DPAM.

The principles and provisions of the Remuneration Policy apply to DPAM and its employees in Belgium and abroad, regardless of the status of these Employees.

For the purposes of the Remuneration Policy and all related documents, remuneration consists of fixed and/or variable remuneration.

The provisions of the Remuneration Policy apply and take precedence over any internal, contractual or other provisions or local remuneration or performance monitoring provisions that would be less strict.

Internal or local provisions (such as, for instance, in countries where DPAM has established a branch) on remuneration or performance monitoring shall remain applicable if they are more restrictive than the provisions of the Remuneration Policy or if they govern situations not covered by the Remuneration Policy, provided that such provisions are not contrary to the principles set out in the Remuneration Policy.

1.2 Regulatory context and objective

The Remuneration Policy is established in accordance with the requirements of the rules on remuneration policy applicable to AIF and UCITS management companies. Since DPAM is a subsidiary of a credit institution providing investment services, the Remuneration Policy also takes into account certain rules and regulations applicable to its parent company.

The Remuneration Policy also takes into account:

- the specific directives, guidelines and regulations of the Regulatory Authorities;
- European Securities and Markets Authority (ESMA) guidelines on sound remuneration policies.

These legislative and regulatory references are listed in Appendix 1.

1.3 Objective of the Remuneration Policy

The objective of the Remuneration Policy is to provide a framework for the remuneration mechanisms within DPAM with a view to promoting **sound and effective risk management**, while at the same time not encouraging any risk-taking that would exceed the level of risk tolerated by DPAM and that would be incompatible with the risk profiles and instruments of incorporation of the AIFs and UCITs managed

by DPAM, while respecting the interests of its clients and promoting DPAM's long-term objectives and interests and the absence of conflicts of interests.

Acknowledging the qualitative importance of human capital and the subjective elements associated with it, DPAM prioritizes sustainable growth, stability and long-term employment. Accordingly, DPAM focuses on long-term value creation for the benefit of its shareholders, employees and other stakeholders.

As sustainability is an integral part of DPAM's DNA, it is essential that the Remuneration Policy be aligned with DPAM's mission and values and with the principles of sustainability, a long-term orientation and transparency. This requires full alignment with the principles of sustainable finance as defined by the European Commission, including consistency with sustainability risk management. In this context, the Remuneration Policy lists the general principles governing the definition and evaluation process of the remuneration of DPAM employees. It also describes the governance bodies involved in remuneration-related matters. Finally, it defines all concepts and abbreviations used in the policy.

1.4 About DPAM

DPAM is a UCITS and AIF management company whose shares are not listed on the stock exchange. It is a subsidiary of Bank Degroef Petercam SA. DPAM is also authorised to provide investment services (individual portfolio management and investment advice) within the meaning of Article 3.22(a) and (b) of the "UCITS" law (Law of 3 August 2012) and Article 3.43°(a) and (b) of the "AIFM" law (Law of 19 April 2014).

It favours management services over proprietary risk-taking and bases its development on the interaction between its various business lines such as asset management for institutional clients and for collective investment undertakings. DPAM is managed with a long-term perspective that seeks to align the interests of its clients, staff and shareholders. It has a strong corporate culture and seeks to surround itself with employees who adhere to this culture and share its long-term vision.

DPAM has always adopted prudent management and strong risk control with a view to ensuring the sustainability of its business and to avoid excessive volatility in its annual results, while securing long-term growth.

This is reflected in DPAM's risk management strategy as follows:

- Application of an appropriate Remuneration Policy that does not encourage, or even discourages, significant risk-taking;
- Optimal and active prevention and management of conflicts of interest;
- Limitation of market and credit risks in own-account activities;
- Prudent liquidity management;
- Prudent strategic management;
- Asset management for institutional clients and collective investment undertakings with a long-term perspective.

As a result, the risk profile of DPAM is low given its activities and risk management policy.

1.5 Interpretation

In addition to the terms defined elsewhere in the Remuneration Policy, the definitions set out in Appendix 1 apply throughout the Remuneration Policy, unless otherwise stated.

2. General principles of Remuneration

2.1 Purpose

This section sets out the general principles applicable to Remuneration.

For the purposes of the Remuneration Policy and any related documents, all Remuneration consists of either Fixed Remuneration or Variable Remuneration.

2.2 Group context and proportionality

As a member of the Degroof Petercam Group and as a subsidiary of a credit institution, certain members of the management company's staff may qualify as "identified staff" of Bank Degroof Petercam under the CRD rules ("Identified Staff Group").

As with the provision of ancillary services, certain members of staff should be governed by both the remuneration rules for UCI fund management companies and the rules of the Directive on markets in financial instruments.

Finally, DPAM combines both UCITS approval and AIFM approval and is subject to the provisions of the directives relating to each of its two activities.

DPAM wishes to avoid developing a Remuneration Policy and unnecessarily complex practices and therefore wishes to put in place remuneration policy provisions that apply equally to the management of AIFs, to the management of UCITS and to ancillary services.

2.3 Relation to the Remuneration Policy of Indosuez Wealth Management

As a subsidiary of Bank Degroof Petercam, a subsidiary of Indosuez Wealth Management, a subsidiary of Crédit Agricole SA, Degroof Petercam Asset Management (DPAM) must ensure that this Remuneration Policy is implemented in a manner consistent with that of the Group to which it belongs.

In addition, Bank Degroof Petercam's Remuneration Policy applies to all its entities, including DPAM, and Indosuez Wealth Management's Remuneration Policy applies to all its entities, including DPAM.

In accordance with the regulatory provisions relating to the group context, in the event of a conflict between a provision of this Remuneration Policy (which implements the requirements arising from applicable Belgian legislation applicable to DPAM's Employees and DPAM's Identified Staff) and a

provision of Indosuez Wealth Management's Remuneration Policy (applicable on a consolidated basis) the stricter provision shall prevail.

[Pending formal harmonization of Indosuez Wealth Management and DPAM remuneration policies,] the main changes resulting from a consolidated application of the Indosuez Wealth Management Remuneration Policy are set out schematically in Annex [3] to this Remuneration Policy.

2.4 All Staff

The following general remuneration principles apply to all Employees:

- (i) A balanced remuneration system, respecting good governance and promoting individual skills and the commitment and objectives of the team and the group;
- (ii) DPAM promotes a gender-neutral remuneration policy. It is based on the principle of equal remuneration between male and female staff for the same or equivalent work.
- (iii) The key principles of DPAM's remuneration are based on the following guidelines:
 - a) All employees are eligible for an annual performance- and risk-related bonus;
 - b) The terms of remuneration must be in line with the financial results of the Degroof Petercam Group and DPAM;
 - c) Measurable performance targets are set at the beginning of each year and evaluated at the end of each year (performance management cycle);
 - d) The quality of services provided to clients is integrated into the annual evaluation process. Compliance with internal procedures and regulatory requirements is integrated into the internal evaluation process;
 - e) The level of fixed remuneration is sufficiently high to ensure that qualified and experienced employees can be hired and retained;
 - f) DPAM ensures that each employee receives a fixed remuneration that is consistent with the profile of his/her position, experience and responsibilities.
 - g) This remuneration is subject to an annual review (except in the event of a change of position during the year) for all Employees, and may be adapted depending on:
 - The development of the Employee's seniority (both in terms of technical and behavioural skills) which is documented during the annual evaluation process;
 - The development of labour market conditions that serve as a reference for DPAM to remain a competitive employer.

- h) As far as the ratio between fixed and variable remuneration is concerned, a balance between fixed and variable remuneration is sought in line with the market and the asset management industry practices.
- (iv) The Group Executive Committee of Degroof Petercam and the Management Board of DPAM (as far as DPAM is concerned) with the support of the GHR (Human Resources Department of Bank Degroof Petercam) ensure the harmonisation of jobs within the Degroof Petercam Group and its branches and promote the homogeneous treatment of remuneration packages and other benefits granted to staff members in accordance with the functions and responsibilities exercised and the specificities of certain business lines. The design and implementation of the Remuneration Policy follow a strict governance process with different governance bodies involved, including the Executive Committee and the Board of Directors of DPAM and the Remuneration Committee of Degroof Petercam. The evaluation process is carried out by the respective department heads, keeping in mind the mission and values of DPAM.

The remuneration package is reviewed annually after an individual assessment of each employee. It takes into account the results of such evaluation, the financial performance of DPAM and of the team concerned, and the development of the labour market.
- (v) The GHR implements an annual Individual Appraisal process (Performance Management Cycle).
- (vi) In this context, DPAM delegates the day-to-day administration of human resources to the GHR.
- (vii) All internal or local practices or provisions relating to remuneration or performance monitoring that co-exist with the Remuneration Policy must:
 - a) be consistent with DPAM's business strategy, objectives, values and tolerated risk level;
 - b) support DPAM's long-term interests as well as the interests of DPAM's clients, *inter alia* by avoiding conflicts of interest;
 - c) enable and promote sound and effective risk management and support the efficient control of risk and the protection of a sound and healthy financial base;
 - d) comply with international and Belgian regulations on remuneration policies;
 - e) promote sound and effective risk management with regard to sustainability risks, while the remuneration structure does not encourage excessive risk-taking;
 - f) be adequately documented to allow proper monitoring of their implementation.

- (viii) The total volume of variable remuneration granted does not limit DPAM's ability to strengthen its equity capital. To this end, Variable Remuneration is only granted if there is sufficient margin to provide a Variable Remuneration allocation.¹
- (ix) Guaranteed Variable Remuneration is not compatible with sound risk management or the pay-for-performance principle and is not part of forward-looking remuneration plans. Therefore, guaranteed Variable Remuneration will only be awarded in exceptional cases, and only to newly hired Employees and for their first year of employment, provided that DPAM has a sound and solid financial basis;
- (x) Employees may not use personal hedging strategies or compensation- or liability-related insurance to offset the impact of the risk alignment built into their remuneration arrangements. Similarly, DPAM will not accept any request to pay Variable Remuneration through vehicles or methods that facilitate the non-compliance with the Remuneration Policy and the Remuneration Policy for Identified Staff;
- (xi) Eligibility for Variable Remuneration is determined by the evaluation made during the annual individual appraisal process (performance management cycle) in accordance with the Remuneration Policy;
- (xii) Any pension policy is in line with the economic strategy, objectives, values and long-term interests of DPAM;
- (xiii) Without prejudice to the mandatory legal rules on the termination of employment, self-employment and mandate contracts, payments relating to the termination of a contract must reflect the actual performance achieved over time and shall not reward failure or misconduct.

As part of the coherent implementation of this Remuneration Policy with the Indosuez Wealth Management Remuneration Policy, it is specified that the provisions of section 3 of the Indosuez Wealth Management Remuneration Policy (remuneration of all Indosuez Wealth Management Employees) apply to DPAM Employees.

Thus, unidentified DPAM employees whose variable remuneration exceeds EUR 120,000 gross will have deferral percentages applied to the higher portion, in accordance with the terms and conditions and over a period determined in Indosuez Wealth Management's Remuneration Policy (a deferral period of three (3) years, with each annual instalment comprising 50% in nominal and 50% in indexed cash instruments). Definitive vesting of the variable portion at the end of the deferral period is subject to performance and presence conditions, in accordance with the principles applicable within Indosuez Wealth Management. The deferred variable portion of less than EUR 15,000 is exempt from the deferral (de facto, a deferral is applied to variable remuneration above EUR 135,000).

2.5 Identified Staff

The Remuneration Policy also covers a range of "identified" persons/functions.

¹ This allocation is set by DPAM's Board of Directors based on general guidelines set by the Board of Directors of Bank Degroof Petercam in accordance with Article 14b § 1.o) of Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (UCITS V).

The concept of “Identified Staff” in the framework of this Remuneration Policy is defined by the UCITS and AIFM laws and is specific to DPAM. This concept may differ from that applicable within Bank Degroof Petercam, defined by the Delegated Regulation (EU) 2021/923. If a DPAM staff member is otherwise “identified” within Bank Degroof Petercam, the Remuneration Policy for Identified Staff of Bank Degroof Petercam will be applicable to him/her, in accordance with the provisions of section 7.

For the purposes of this Policy, the concept of “Identified Staff” refers to staff whose professional activities have a significant impact on the risk profile of the institution or the UCITS and AIFs it manages:

- Members of the Management Committee;
- “Asset managers from category D and above”²;
- Persons responsible of a control function (risk management, compliance);
- Persons taking part in the management, administration and general management of the management company who, on the basis of their total remuneration, are in the remuneration bracket of general management and risk takers;
- Persons whose professional activities – either individually or collectively, as members of a group (for example, a unit or part of a department) – can have a significant impact on the management company's risk profile or on a UCITS it manages.

This Remuneration Policy aims to put in place remuneration practices consistent with sound and effective risk management for staff whose professional activities have a significant impact on the risk profile of AIF and UCITS investment funds and of the management company and for other persons affected by this regulation.

This Policy does not favour or encourage risk taking that is incompatible with investor risk profiles or the regulations and statutes of the AIFs and UCITS managed.

For what concerns the fixed remuneration component, the principle is the same for all staff, i.e. that it must be sufficiently large that employees do not have to rely on the payment of a variable component in order to obtain an adequate salary.

DPAM ensures that each Employee receives a fixed remuneration that is consistent with the profile of his/her position, experience and responsibilities.

This Remuneration is subject to an annual review (except in the event of a change of position during the year) for all Employees, and may be adapted depending on:

- The development of the Employee’s seniority (both in terms of technical and behavioural skills) which is documented during the annual evaluation process;
- The development of labour market conditions that serve as a reference for DPAM to remain a competitive employer.

Eligibility for Variable Remuneration is determined by the evaluation performed during the annual individual appraisal process (Performance Management Cycle) in accordance with the Remuneration Policy.

² This also applies to fund managers referred to in Article 3.22°(a) and portfolio managers under an individual discretionary management mandate referred to in Article 3.23° of the Law of 3 August 2012 on collective investment undertakings meeting the conditions of Directive 2009/65/EC and undertakings for investment in receivables.

The determination of the annual Variable Remuneration for the identified staff, except for the control functions, involves establishing a Variable Remuneration target bonus expressed as a percentage of the fixed salary and is currently based on the following elements:

- Development of the gross operating profit of the Degroof Petercam Group;
- Development of the gross operating profit of DPAM;
- The individual performance of the person.

The variable component of the Remuneration is usually in the range of 20% to 65% of the fixed component of the remuneration.

The individual criteria taken into account to assess the performance of asset managers at DPAM, defined in the annual Individual Appraisal Process (Performance Management Cycle) in accordance with the Remuneration Policy are as follows:

- The weighted average performance of the portfolios over three years in relation to the reference market and in relation to similar universes;
- Their contribution to the investment process and the achievement of strategic objectives;
- Contribution to sales and investor support (availability to attend investor meetings, reporting, support of the sales team, investor satisfaction);
- Compliance with internal procedures and regulatory requirements, including compliance with the risk management policy and investment strategy of the UCI concerned, compliance with internal and external regulations and policies and procedures relating to integrity, financial ethics and ethics in general³;
- Management skills, general management, teamwork, creativity, motivation and co-operation with other business units and control functions.

For management and certain risk takers (i.e. asset managers of AIFs or UCITS, but also Employees whose remuneration levels are equivalent to those of management), part of the variable remuneration is directly or indirectly related to management performance.

Pay out process

A deferral plan of the Variable Remuneration is applied to the Identified Staff for 50% of the variable remuneration, applying the principle of proportionality based on the specific features of the economic cycle, the nature of the company, its levels of risk and the activities and the actual presence of the Identified Staff members concerned at DPAM, and in particular the low to medium risk profile of DPAM.

For these Employees, variable remuneration is paid partly in the short term and is partly carried forward over a period of 3 years according to a 50% / 16.6% / 16.6% / 16.6% schedule.

³ ESMA Guidelines on sound remuneration policies under the Directive on Undertakings for Collective Investment in Transferable Securities. These defined qualitative criteria may be based on compliance with risk control measures such as limits and audit results. Negative non-financial performance, in particular unethical or non-compliant behaviour, should outweigh any financial performance by a staff member and result in reduced variable remuneration.

This allocation applies as soon as the variable portion reaches the gross amount of EUR 50,000 for the year in question or the variable remuneration represents more than one third of the staff member's total annual remuneration.

- The non-deferred portion of 50% of the variable remuneration for the evaluation period⁴ will be paid directly after the allocation to reward employees for their performance during the accumulation period.
- The deferred portion will be allocated during the three-year deferral period⁵. It reflects the sustainability of long-term performance that results from decisions made in the past.

When DPAM Employees are classified as “identified staff” by Bank Degroof Petercam by application of the CRD rules defined in the Note “Update of the process for the designation of Identified Staff at group level” included in Appendix 2, additional limitations to DPAM’s IS remuneration policy may apply⁶. The assessment of the performance of the Identified Staff is done in a multi-year framework. This multi-year framework therefore substantially exceeds the allocation date of annual variable remuneration.

Before the deferred portion is paid, a re-evaluation of the performance and, if necessary, a risk adjustment will be required in order to align the variable remuneration with the risks and the errors in the performance and the risk assessments since the allocation of the variable remuneration component to staff members.

The deferred portion will be indexed to the performance of the fund's net asset value (representative sample of ten UCITS and AIF on a uniform basis) managed by DPAM.

To avoid unnecessary complexity, DPAM has decided to index the variable portion of the remuneration spread over three years to an index which is composed of the following 10 funds (each weighted at 10%) whose selection participates in the promotion of sound and effective risk management with regard to sustainability risks (Performance of the institutional class, capitalisation shares or if the institutional class does not exist, the retail class will be taken into account).

The list of funds used to index the variable portion of remuneration is as follows:

weighting of 10% per fund:

ISIN	Fund	Weighting
BE0948494282	DPAM B Equities Europe Small Caps Sustainable	10%
BE0948492260	DPAM B Equities Europe Sustainable	10%
BE0948500344	DPAM B Equities World Sustainable	10%
BE0948508420	DPAM B Bonds EUR	10%
LU0336683767	DPAM L Bonds Government Sustainable Hedged	10%
LU0238158421	DPAM L Bonds Corporate EUR	10%
LU0907928062	DPAM L Bonds Emerging Markets Sustainable	10%

⁴ The evaluation period is the accrual period, i.e., the annual period during which the performance of the staff member is assessed and measured for the purpose of determining his or her remuneration.

⁵ The deferral period is the period at the end of which the variable remuneration is earned and paid following the end of the accrual period.

⁶ See section 7 Relationship with other rules

LU1996436579	DPAM L Bonds Climate Trends Sustainable	10%
LU0174544550	DPAM L Bonds Universalis Unconstrained	10%
LU0966249640	DPAM L Bonds EUR Corporate High Yield	10%

As part of the consistent implementation of this Remuneration Policy with the Indosuez Wealth Management Remuneration Policy, it is specified that the provisions of section 9.3 of the Indosuez Wealth Management Remuneration Policy (rules governing the remuneration of AIFM-identified personnel) apply to DPAM-identified personnel, subject to more stringent local requirements.

In accordance with Indosuez Wealth Management's Remuneration Policy, at least 50% of Variable Remuneration is deferred for a period of three (3) years (60% for the highest remunerations, i.e. in excess of EUR 600,000 gross), subject to the performance of the business in question.

The deferred portion depends on the total variable remuneration granted for the year, according to the following scale:

- Variable compensation above EUR 100,000 and below EUR 600,000: 50% deferred (up to the 1st euro);
- Variable compensation above EUR 600,000: 60% deferred (up to the 1st euro), with a minimum of EUR 300,000 not deferred.

The final vesting of the variable portion at the end of the deferral period is subject to performance and attendance conditions, in accordance with the principles applicable within Indosuez Wealth Management.

In application of the principle of proportionality, given DPAM's risk profile, the deferral of Variable Remuneration is not applicable to Identified Staff whose annual Variable Remuneration does not exceed EUR 100,000 gross. DPAM thus wishes to align itself with Indosuez Wealth Management's policy, which stipulates that AIFM Identified Staff whose Variable Remuneration is less than EUR 100,000 are excluded from the scope of the deferral rules, unless otherwise required by the local regulators of the countries in which the Group's branches operate. UCITS and AIFM regulations applicable in Belgium are no more restrictive.

If a DPAM employee is also identified at Bank Degroof Petercam level, the threshold above which Variable Remuneration will be deferred is EUR 50,000 (or when Variable Remuneration exceeds 1/3 of the Total Remuneration of the Identified Staff concerned).

Retrospective adjustment

The annual Variable Remuneration of all identified staff (or former identified staff, if any) may be reduced (*Malus*) or potentially fully recovered by DPAM, within three years of payment, in accordance with the following arrangements and conditions:

- Failure by the identified staff to comply with the applicable standards of expertise and professional reputation, especially if this exposes DPAM to inappropriate risks;
- Participation of identified staff in, or their responsibility for, practices that result in significant losses for DPAM;
- Failure on the part of identified staff to comply with risk management policies;
- The participation of identified staff in a particular mechanism having the purpose or effect of encouraging tax evasion by third parties;

- Any circumstance that would imply that the payment of the annual variable remuneration would undermine DPAM's remuneration policy or risk management strategy, in particular as referred to in article 2 above or to its low to medium risk profile.

Retrospective risk adjustment can be based on both quantitative measures and on the basis of an informed judgement.

Coverage

To ensure that risks are effectively aligned, the persons concerned may not enter into contracts which would compensate them in the event of a downward adjustment in their remuneration.

2.6 Control functions

The remuneration structure for the control functions (Risk Management & Compliance) meets the following conditions in order not to compromise their independence or create conflicts of interest in their role as advisers to the remuneration committee, the supervisory function and/or the governing body:

- (i) The level of Fixed Remuneration is sufficiently high to ensure that qualified and experienced Employees can be hired and retained;
- (ii) With regard to the ratio between Fixed and Variable Remuneration, a balance between Fixed and Variable Remuneration is sought in line with market and asset management industry practices;
- (iii) The Variable Remuneration is based on specific objectives related to the exercise of the functions, which include qualitative criteria and which are not based on the financial performance of the business areas and levels of the company they directly control, provided that it is compatible with the financial situation of the management company as a whole;

The fixed and variable components are supervised by the Remuneration Committee.

- The variable component of remuneration is lower than for the other "categories" of employees. The fixed remuneration is adjusted accordingly in order to attract and maintain quality employees in these positions;
- The variable component is mainly based on objectives specific to the position, not on management performance criteria;
- The fixed and variable components are supervised by the Remuneration Committee.

The following performance monitoring principles apply to Control Functions:

- (i) At the beginning of the performance period, the employee and the manager of the department in charge of the Control Function mutually agree on a set of performance objectives.

Control Functions objectives are set taking into consideration the following constraints:

- a) The objectives are related to the exercise of the Functions, including to a large extent qualitative criteria;
 - b) If financial objectives are included among the objectives not linked to the exercise of the Functions, they may not be linked to the financial performance of the business areas and business levels that the Control Function controls, but only to the financial results of Bank Degroof Petercam and/or DPAM as a whole;
 - c) At no time may the performance objectives of Control Functions compromise their independence or create a conflict of interest or, more concretely, have the effect that any of their decisions or actions may have a direct effect on the achievement of their financial objectives and the level of their Variable Remuneration.
- (ii) A performance review is carried out at the end of the performance period by one of the line managers. This assessment will be validated by the head of the department to which the Control Function reports;
 - (iii) All performance objectives and performance assessments are properly recorded in writing.

The Compliance and Risk Management Control Functions will, on a random sampling basis established by Compliance and Risk Management, verify Employees' individual or group performance objectives set for a given year, as well as the link between the degree to which these were achieved and the Variable Remuneration awarded on the basis of the performance assessment.

3. Evaluation process – performance management cycle

3.1 Role of the Human Resources department

The Human Resources Department implements an annual Individual Appraisal process (performance management cycle).

The following performance monitoring principles apply to all Employees:

- (i) At the beginning of the performance period, the Employee and one of his/her line managers mutually agree on a set of performance objectives in line with DPAM's strategy;
- (ii) In line with DPAM's internal policies on the prevention and management of conflicts of interest, the performance objectives avoid creating situations of conflict of interest resulting, in particular, from incentives that may encourage employees to favour their own interests or DPAM's interests to the potential detriment of clients.
To this end, the set of performance objectives will include a significant portion of qualitative criteria and will not establish a direct link between the sale of (categories of) specific financial instruments and the Variable Remuneration;

- (iii) A performance assessment is carried out at the end of the performance period by one of the line managers, based on financial and non-financial, individual and collective criteria;
- (iv) Respect for the interests of investors, the quality of services provided to clients and compliance with internal procedures and regulatory requirements are integrated into the evaluation process;
- (v) All performance objectives and performance assessments are properly recorded in writing.

DPAM is convinced of the optimisation of the risk/return ratio of the integration of ESG factors in the performance evaluation.

It sees the challenges of sustainability as a risk as well as an opportunity.

ESG factors are used to assess the sustainability risks and opportunities of investment decisions. This approach is embedded in the remuneration process and the relevant governance bodies.

Therefore, DPAM also integrates ESG considerations into the year-end appraisal process as follows:

- I. ESG integration in research analysis, based on data from external providers and our own critical analysis, in order to actively contribute to ESG debates related to the sectors in which investments are made and to develop a customised ESG framework for (sub-)sectors;
- II. Active participation in specific ESG tasks such as controversy review, cooperation in collaborative/individual engagement cases, TCFD models, dashboard generation and other ESG related topics;
- III. Close interaction, where appropriate, with employees specialised in ESG issues;
- IV. Ability and knowledge to explain/educate clients/prospects on ESG issues and to integrate the ESG dimension in meetings with clients/prospects;
- V. Knowledge of DPAM's approach to sustainability methodology and process during meetings with clients/prospects;
- VI. Completion of all required training on ESG-related topics.

In addition, the evaluation of all DPAM employees includes a sustainability awareness index which is taken into account when determining the individual share of the variable remuneration.

All performance objectives and evaluations are properly recorded in writing.

3.2 Monitoring

The control functions of compliance and risk management will verify, on the basis of a random sample established by compliance and risk management, the individual and collective performance objectives of employees that have been set for a given year, as well as the link between the degree of achievement of these objectives and the variable remuneration awarded on the basis of the performance assessment.

4. Governance applicable to the Remuneration processes, Remuneration structure, the appraisal and controls related to the Remuneration Policy

The Human Resources department is responsible for organising the Remuneration Process end-to-end. The Human Resources department participates in and provides information enabling DPAM to develop and evaluate DPAM's Remuneration Policy, remuneration structure, remuneration levels and incentive systems, so as to not only attract and retain the staff that the BDP Group needs, but also to ensure that the remuneration policy is aligned with the risk profile of the BDP Group.

4.1 DPAM's Management Committee

DPAM's management Committee is responsible for ensuring that the remuneration policy adopted by DPAM's Board of Directors is properly implemented. DPAM's Management Committee implements the remuneration policy with the assistance of the Human Resources department and the compliance function.

The Remuneration Policy is an integral part of the governance memorandum prepared under the responsibility of the Management Committee and approved by the Board of Directors.

The members of the Management Committee participate, for the Employees for whom they have hierarchical responsibility, in the determination of the Variable Remuneration via the annual individual appraisal process (performance management cycle).

The Management Committee decides individually on the Remuneration of Employees who are not engaged in a control function, are not executive members of the Board of Directors (i.e. are not members of the Management Committee) and are not classified as "Identified Staff".

4.2 Remuneration Committee

In implementing the Remuneration Policy, the Remuneration Committee at Group level acts as the Remuneration Committee of DPAM. It is composed exclusively of non-executive members of the Board of Directors of Bank Degroof Petercam.

It interacts with DPAM's Board of Directors, reporting to it on its work and recommendations relating to or having an impact on DPAM's Employees.

Remuneration Committee:

- Plays an advisory role in the development of DPAM's Remuneration Policy
- Provides direct oversight of the remuneration allocated to the heads of the control functions.
- Advises on the overall Variable Remuneration of all Employees as proposed by their supervisors in the context of the annual individual appraisal process (Performance Management Cycle) with a view to ensuring the consistent application of the Remuneration Policy within the Group.
- Formulates opinions and proposals for decisions to the Board of Directors relating to:
 - a) the Remuneration Policy of DPAM and any changes to it;

- b) the remuneration of Identified Staff, the Control Functions and the executive members of the Board of Directors.

In its advice and recommendations, the Remuneration Committee takes into account the proposals and recommendations of DPAM's management, the long-term interests of DPAM's shareholders, investors and other stakeholders, and the public interest.

4.3 DPAM's Board of Directors

The Board of Directors of DPAM is (in its oversight function) responsible for the adoption of the Remuneration Policy and the supervision of its implementation.

In developing (and amending) the Remuneration Policy, the Board of Directors is assisted by the Remuneration Committee, the independent control functions, Human Resources and, where appropriate, by external experts.

The Board of Directors of DPAM takes decisions on the Remuneration Policy within DPAM (e.g. in case of changes to the policy, as part of the annual evaluation process, etc.) based on the advice and proposals of the Remuneration Committee.

The Board of Directors approves the global package of Variable Remuneration for DPAM employees (except for Identified Staff, members of the Management Committee and control functions) taking into account the recommendations made by the Remuneration Committee.

The Board of Directors Core Committee (i.e. only composed of its non-executive members) sets the individual Variable Compensation of the Identified Staff, the members of the Management Committee and the control functions.

The Board of Directors, alone, has the power to agree on exemptions to the Remuneration Policy.

The Remuneration Policy is regularly evaluated (at least once a year) by DPAM's Board of Directors Core Committee, in its oversight function, to ensure that the internal control systems and mechanism and other arrangements in place are effective and that its principles are appropriate and comply with both DPAM's circumstances and applicable regulations.

This evaluation also consists in verifying that the decisions taken with regard to Variable Remuneration are in line with the Remuneration Policy.

If necessary, the Board of Directors takes appropriate measures to remedy any shortcomings, taking advice from the Remuneration Committee.

4.4 Controls

To secure the proper execution of the remuneration process, it is imperative that such process be supported by effective and documented controls. For this reason, DPAM has described, by line of defense, the types of controls that are carried out in practice and by whom, to address the main risks identified.

Each line of defense has a role to play in ensuring that each risk described is under control and adequately mitigated.

In this respect, the practical application of the Remuneration Policy is subject to a central and independent internal evaluation at least once a year, to ensure that practices are in line with it and with the procedures used by the Board of Directors in its control function.

The Employees who perform independent operational control functions are independent from the business units of DPAM and have the necessary powers for the proper performance of their functions.

The Control Functions, and more specifically Risk Management and Compliance, closely cooperate with the Board of Directors Core Committee, the Management Committee and the Remuneration Committee, to ensure the proper implementation of the Remuneration Policy and the periodic evaluation of the Remuneration Policy.

As part of this cooperation, the Control Functions may at any time, on their own initiative or at the request of the bodies concerned, formulate opinions and recommendations.

The Control Functions also cooperate in determining DPAM's overall remuneration strategy by promoting an effective risk management.

5. Other provisions

5.1 Evaluation

The Remuneration Policy shall be regularly, and at least once a year, evaluated by the Board of Directors Core Committee of DPAM to ensure the efficiency of the systems and internal control mechanisms and other arrangements put in place as well as the adequacy and compliance of its principles with the situation of DPAM and the applicable regulations.

This evaluation will also include the monitoring of the conformity of the decisions taken on Variable Remuneration with the Remuneration Policy.

This evaluation will be carried out under the supervision of the Board of Directors Core Committee, with the participation of the Remuneration Committee and the Control Functions.

Where necessary, appropriate action will be taken promptly to remedy any deficiencies.

5.2 Publication

All staff members have access to the general principles governing the Remuneration Policy since the latter is a published document.

DPAM employees classified as "identified staff" by Bank Degroof Petercam in application of the CRD rules are informed personally by the Bank.

6. Entry into force

This version shall apply from 2025.

7. Relationship with other rules

The provisions of the Remuneration Policy apply to and supersede any internal provisions or local provisions on remuneration or performance monitoring which are less restrictive than the former.

Conversely, the application of internal or local provisions on remuneration or performance monitoring will be maintained if they are more restrictive than the provisions of the “IS” Remuneration Policy or if they govern situations not covered by the “IS” Remuneration Policy, provided that the former provisions are not contrary to the principles set out in the “IS” Remuneration Policy. For the purposes of the “IS” Remuneration Policy, Variable Remuneration is taken into consideration at its value at the time it is granted.

When DPAM employees are classified as “identified staff” at the level of Bank Degroof Petercam by application of the CRD rules, the present DPAM “IS” remuneration policy applies, but constraints relating to the application of the Bank Degroof Petercam “IS” remuneration policy may be added.

Therefore, when employees identified under UCITS and/or AIFM are also identified under CRD (have a significant impact on the risk profile of the group, e.g. member of the Board of Directors of Bank Degroof Petercam), the specific requirements set out under CRD not included in the UCITS and/or AIFM sector regulations are applicable (e.g. **limitation of the variable components of remuneration to 50% of the fixed remuneration, or application of a longer period for the deferred part of the variable remuneration**), (EBA/GL/2021/04 Guidelines of 2 July 2021 on sound remuneration policies, point 79).

Where certain requirements of the CRD conflict with the requirements of the UCITS or AIFM Directive, the **UCITS and AIFM (specific) Directives take precedence**. Thereby, DPAM should pay a portion of the variable remuneration of identified staff whose professional activities have a significant impact on the risk profile of the group in units of the relevant UCITS or in units or shares of the relevant AIF (ESMA Guidelines 2016/575 of 14 October 2016 point 28 and ESMA Guidelines/2013/232 of 3 July 2013 point 32).

The UCITS V and AIFMD Directives are applied in full. If an employee is identified at both DPAM and Group (Bank Degroof Petercam) level, deviations from the CRD regulations should be justified on the basis of risk aversion and the alignment of the interests of the persons concerned with those of the investors in the funds, which translates into the following principles:

- Deferral with indexation mechanism linked to funds
- 50% of the variable remuneration (or 60% if above €200,000) is deferred over 4 years (or over 5 years if the identified employee at DPAM level is a member of the Management Committee or the senior management of Bank Degroof Petercam).

8. Prevalence over other internal regulations, policies or guidelines

No fixed or variable remuneration of DPAM is paid with the intention of avoiding the requirements of this Remuneration Policy.

Given the binding nature of the rules and regulations on which the Remuneration Policy is based and the objectives of the Remuneration Policy, in the event of discrepancy between a provision of any other internal regulation, policy or guideline and the Remuneration Policy, the latter will prevail, except for the Remuneration Policy determined at Group level.

Any amendment to the Law or any other regulation that would affect the validity, applicability or interpretation of the Remuneration Policy shall be immediately and automatically integrated into this Remuneration Policy, provided that such change does not in itself increase the commitments and obligations of DPAM and does not affect DPAM's sound remuneration policy or risk management strategy or its low to medium risk profile.

9. Annex 1: Regulatory context

- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (**CRD IV**), as amended by Directive 2019/878/EU (**CRD V**), and the transposition of this directive into Belgian national law and in particular the Law of 25 April 2014 on the status and supervision of credit institutions, as amended by the Law of 11 July 2021 amending the banking law in order to ensure the transposition of CRD V into Belgian law;
- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (**AIFMD**) and the Law of 19 April 2014 transposing this directive into Belgian law (the **AIF** law);
- Directive 2014/91/EU European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as regards depositary functions, remuneration policies and sanctions (**UCITS V**) and the implementation of this Directive by Belgian domestic regulation, in particular the Law of 25 December 2016 transposing Directive 2014/91/EU and laying down miscellaneous provisions, and amending the Law of 3 August 2012 relating to undertakings for collective investment which comply with the conditions of Directive 2009/65/EC (the **UCITS** law);
- Directive 2014/65/EU (**MiFID II**) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (AIFMD) and the implementation of this Directive by Belgian domestic regulations and in particular the Law of 2 August 2002 on the supervision of the financial sector and financial services, and the Law of 21 November 2017 on the financial instruments market infrastructures and transposing Directive 2014/65/EU, as well as the Royal Decree of 19 December 2017 on the rules and procedures for transposing the Directive on markets in financial instruments;
- 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; and Commission Delegated Regulation and Directive of 21 April 2021 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers (AIFMs) and for Undertakings for Collective Investment in Transferable Securities (UCITS);

- FSMA and ESMA guidelines on remuneration policies applicable to Belgian managers of alternative undertakings for collective investment (AIFs) and management companies of undertakings for collective investment in transferable securities (UCITS), in particular:
 - FSMA_2013_19 of 4/12/2013 "Remuneration policies and practices (**MiFID directive**): implementation by FSMA" [which incorporate into the Belgian prudential framework: ESMA 2013/606 "Guidelines on Remuneration Policies and Practices", 3 June 2013]
 - FSMA_2014_10 of 29/09/2014 "Guidelines on remuneration policies for **alternative investment fund** managers: implementation by FSMA", as amended by FSMA 2016_19 of 23/12/2016 [which incorporate into the Belgian prudential framework, respectively: ESMA 2013/232 "Guidelines on remuneration policies for alternative investment fund managers" of 30 January 2014, as amended by ESMA 2016/579 of 14 October 2016]
 - FSMA_2016_18 of 23/12/2016 "Guidelines on sound remuneration policies under the directive on undertakings for **Collective Investment in Transferable Securities**: implementation by FSMA" [which incorporate into the Belgian prudential framework: ESMA 2016/575 Guidelines on sound remuneration policies under the directive on undertakings for collective investment in transferable securities of 14 October 2016].

10. Annex 2: Interpretations – Definitions

The following terms used in the Remuneration Policy and its appendices have the following meaning:

AIFM: The Alternative Investment Fund Managers Directive (AIFMD) 2011/61/EU is a European directive that has introduced harmonised rules with which AIFMs must comply since 22 July 2013.

Supervisory authority(ies) means the supervisory authority(ies) to which DPAM is subject under the regulations applicable to it.

Bank Degroof Petercam means Bank Degroof Petercam SA.

CRD: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended by Directive 2019/878/EU (CRD V).

Employee means any salaried employee and any self-employed person, including any executive director and member of an executive committee, whose main professional activity is for Degroof Petercam Asset Management (DPAM).

Management Committee means the management committee of Degroof Petercam Asset Management.

Board of Directors means the board of directors of Degroof Petercam Asset Management.

Sustainability factors stand for environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

Control Functions means any employee in one of the following departments who performs independent operational control functions: Compliance, Risk Management and Internal Audit.

FSMA stands for Financial Services and Markets Authority.

Identified Staff means employees of DPAM and its branches designated by the Management Committee in accordance with the selection methodology and criteria established by the Board of Directors as set out in point 2.4.

The **Remuneration Policy** means the remuneration policy for all Employees, including Employees performing Control Functions and IS.

Remuneration means all forms of allowance, payments and benefits, including non-financial ones, granted directly or indirectly, but on behalf of DPAM, in exchange for work performed by a DPAM Employee.

Fixed Remuneration means any contractually fixed remuneration granted independently of the Employee's performance.

Variable Remuneration means any remuneration, discretionary or not, consisting of additional allowances, payments or benefits depending on the level of performance of the Employee or other contractual criteria.

UCITS: the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU (**UCITS V**).

11. Annex 3: Implementation of Indosuez's Remuneration Policy within DPAM

	Indosuez	Degroof Petercam Asset Management (DPAM) Identified Staff (UCITS)	DPAM within the Group Indosuez Identified Staff (UCITS) <i>As from 2025</i>
Ratio (max) Variable Remuneration (VR) / Fixed Remuneration	100% or 200% of Fixed Remuneration if approved by the General Assembly	N.A. <u>If IS CRD</u> : 50% of fixed remuneration, or 50K EUR without exceeding the fixed remuneration	100% or 200% of Fixed Remuneration if approved by the General Assembly <u>If IS CRD</u> : 50% of fixed remuneration, or 50K EUR without exceeding the fixed remuneration
Portion of the deferred VR	VR > 100K EUR <ul style="list-style-type: none"> - > 100K EUR : 50% - > 600K EUR : 60% and min. EUR 300K non-deferred Subject to performance and attendance conditions	VR > 50K EUR or 1/3 total remuneration <ul style="list-style-type: none"> - > 50K EUR : 50% - > 200K EUR : 60% 	VR > 100K EUR <ul style="list-style-type: none"> - > 100K EUR : 50% - > 600K EUR : 60% and min. EUR 300K non-deferred Subject to performance and attendance conditions
Deferral period	3 years	3 years <u>If IS CRD</u> : 4 years or 5 years (Executive Committee and Senior Management)	3 years <u>If IS CRD</u> : 4 years or 5 years (Executive Committee and Senior Management)

Payment in the form of instruments	50% cash instruments indexed to a basket of funds representative of the activity (in practice only for the deferred portion, but 100% of the deferred VR)	50% cash instruments indexed to a basket of DPAM funds (for the deferred and non-deferred portion)	50% cash instruments indexed to a basket of DPAM funds In practice, payment in indexed instruments represents the entire deferred variable compensation
Clawback	5 years	3 years	5 years
Impact of a departure on deferred portions	Loss of entitlement to deferred portions not yet vested, except in the case of disability, death, pension or internal mobility within the Crédit Agricole Group	No impact	Loss of entitlement to deferred portions not yet vested, except in the case of disability, death, pension or internal mobility within the Crédit Agricole Group