



Asset Management



## Remuneration policy

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## 1. Objective

This policy establishes DMFCO's principles and provisions regarding remuneration. It applies to DMFCO B.V. and all affiliated entities. The policy aims to foster a healthy, ethical and sustainable business operation whilst ensuring sound and effective risk management. Furthermore, it guarantees that remuneration does not encourage excessive risk-taking beyond levels deemed acceptable for DMFCO and its investors.

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## 2. Definitions and Concepts

<b>DMFCO:</b>	DMF Investment Management B.V., including its subsidiaries and other affiliated enterprises.
<b>Identified Employees:</b>	Staff whose activities significantly influence DMFCO's risk profile, including: <ul style="list-style-type: none"> <li>▪ Members of the Board of Directors and the Management Team</li> <li>▪ Staff engaged in risk assessment and control functions</li> <li>▪ Employees whose total remuneration equals or exceeds that of Management Team members</li> </ul>
<b>Employees with control functions:</b>	Staff (excluding senior management) responsible for risk management, compliance, internal audit, financial reporting (including the preparation of the statutory accounts) or similar control roles, operating independently from the business areas they oversee.
<b>Remuneration:</b>	All forms of compensation, whether direct or indirect, provided by DMFCO in exchange for employment. This encompasses financial payments, benefits such as severance arrangements, pension contributions and allowances (e.g. fuel, telephone).

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## 3. General Principles

### 1. Long-Term Focus

The remuneration policy supports DMFCO's long-term objectives and financial soundness, ensuring total remuneration levels do not compromise capital adequacy, solvency or equity.

### 2. Risk Management Alignment

The policy promotes robust and effective risk management, ensuring remuneration does not incentivise risk-taking beyond acceptable thresholds for DMFCO or its investors.

### 3. Strategic Consistency

The policy aligns with DMFCO's strategy, risk appetite, Code of Conduct, sustainability objectives and applicable legislation, whilst considering societal expectations.

### 4. Market-Aligned Remuneration

Remuneration reflects market standards commensurate with employees' education, background and experience. DMFCO attracts and retains talent through professional development opportunities, empowerment and an engaging work environment.

### 5. Fixed Compensation Structure

DMFCO does not pay individual or company-wide bonuses. The organisation believes collective success is a shared responsibility best supported by fixed remuneration. All employees receive an additional fixed payment of 16% of their annual gross salary.

#### 6. Sustainability Integration

The policy aligns with sustainability risk integration (per Article 5 SFDR). The absence of variable remuneration eliminates potential conflicts between financial incentives and sustainable conduct.

#### 7. Pension Scheme

DMFCO contributes 9.5% of pensionable salary to a collective pension scheme. Employees may voluntarily increase their pension contributions from their gross salary.

#### 8. Employee Participation Programme

Senior employees may participate in DMFCO's results through purchasing depositary receipts of shares. These carry full economic rights but no voting rights. Key features:

- Receipts are fully paid and not considered remuneration
- Purchase price equals fair market value, adjusted for liquidity restrictions
- Five-year minimum holding period
- Sale permitted only to DMFCO or its shareholders
- Mandatory sale upon employment termination
- Good and bad leaver provisions determine applicable selling price

#### 9. Scope

This policy applies to all employees - both identified and non-identified.

#### 10. Periodic Review

The Board of Directors and Management Team review the remuneration policy at least annually to ensure continued alignment with market standards and regulatory requirements.

#### 11. Amendment Approval

All policy amendments require Board of Directors approval.

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## 4. Specific Legislation and Applicability

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The remuneration policy adheres to the Alternative Investment Fund Managers Directive (AIFMD), the Wft and relevant ESMA Guidelines. The following table summarises AIFMD Annex II requirements and their applicability to DMFCO.

AIFMD #	Requirement	Status
<b>Annex II, 1(a)</b>	Consistency with sound risk management and no encouragement of excessive risk-taking.	Applicable - see section 3
<b>Annex II, 1(b)</b>	Alignment with business strategy, values, and interests of investors.	Applicable - see section 3
<b>Annex II, 1(c)</b>	Management body adopts and periodically reviews the policy.	Applicable - see section 3
<b>Annex II, 1(d)</b>	Annual independent internal review of policy implementation.	Applicable - annual review by Board and MT.
<b>Annex II, 1(e)</b>	Control function remuneration independent from business performance.	Applicable - fixed pay structure ensures independence.

<b>Annex II, 1(f)</b>	Oversight of control function remuneration by remuneration committee.	Applicable - overseen by the non-executive Board member.
<b>Annex II, 1(g-j, l-o)</b>	Performance-related pay, deferral, share-based remuneration, and variable pay governance.	Not applicable - DMFCO pays fixed remuneration only.
<b>Annex II, 1(k)</b>	Severance payments reflect long-term performance and do not reward failure.	Applicable - exceptions limited to specific strategic or legal cases.
<b>Annex II, 1(p)</b>	Pension policy consistent with strategy; discretionary pension benefits held for 5 years.	Partially applicable - DMFCO has no discretionary pension benefits.
<b>Annex II, 1(q-r)</b>	Hedging or avoidance of risk alignment effects prohibited.	Not applicable - no variable pay. <sup>1</sup>
<b>Annex II, 2</b>	Applies to all relevant staff categories with material impact on risk.	Applicable - see section 2.
<b>Annex II, 3</b>	Requirement to establish remuneration committee for significant AIFMs.	Not applicable - DMFCO's scale and simplicity do not justify a committee. <sup>2</sup>

Table 1: AIFMD Annex II: requirements remuneration policy

<sup>1</sup> ESMA guidelines on sound remuneration policy under the AIFMD indicate that this only applies to variable remuneration (90-92).

<sup>2</sup> ESMA guidelines on sound remuneration policy under the AIFMD indicate that DMFCO is significant in term of their size and the size of the AIF DMFCO manages (55). However the internal organization and the nature, scope and complexity of our organization is not significant (57). We only offer one investment product (mortgages), the organizational structure is clear and simple, as well as the remuneration structure.