



Asset Management



Remuneration policy

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1. Objective

In this policy DMFCO (and all associated enterprises) has established its provisions regarding remuneration. The remuneration policy consists of general principles and specific comments, with the objective to contribute to a sound and effective risk management. The policy furthermore does not encourage taking more risks than acceptable for DMFCO.

2. Definitions and concepts

DMFCO	DMF Investment Management B.V., subsidiaries and other affiliated enterprises.
Identified Employees	<p>Employees whose activities have a significant impact on DMFCO's risk profile.</p> <p>This includes, at least, the following:</p> <ul style="list-style-type: none"> ▪ Members of the Board of Directors and the Management Team; ▪ Employees engaged in risk assessment and control functions; and ▪ Those receiving a total remuneration equal to or exceeding that of members of the Management Team.
Employees with control functions	Employees (excluding higher management) responsible for risk management, compliance with laws and regulations, internal audits and comparable functions within DMFCO.
Remuneration	All forms of compensation, whether direct or indirect, provided by DMFCO to its employees in exchange for their labour. This includes direct financial payments, benefits such as wage deferral in case of dismissal, and pension contributions. Additionally, remuneration covers matters such as allowances for fuel and mobile phones.

3. General principles of the remuneration policy

1. The long term interests of DMFCO and its investors are an important condition for the remuneration policy. DMFCO is committed to maintain a total remuneration level that does not jeopardize the qualifying capital, solvency margin, and equity capital, thereby safeguarding DMFCO's long term objectives.
2. The remuneration policy is in accordance with, and contributes to, robust and effective risk management, ensuring that it does not incentivize excessive risk-taking beyond acceptable thresholds for DMFCO and its investors.
3. The remuneration policy adheres to DMFCO's strategy, risk appetite, Code of Conduct, and the long term interests of DMFCO and its investors, taking into account the relevant national context, societal acceptance and applicable laws and regulations.
4. The remuneration of employees reflects market standards based on education, background, and experience. Recruiting sufficient talent is ensured by providing ample opportunities for development, fostering the sense of being able to make a difference to DMFCO's success in a small and agile organisation, and maintaining an enjoyable work environment.
5. DMFCO does not pay bonuses, neither individual nor companywide as DMFCO believes that the success of the DMFCO is an integral and shared responsibility of all employees. In addition, DMFCO does not believe in the long-term efficacy of offering incentives for individual compensation. Instead, all employees receive an additional payment equivalent to 16% of their annual gross salary.
6. The remuneration policy is consistent with the integration of sustainability risk. DMFCO avoids any form of variable compensation since that could have conflicting incentives.
7. DMFCO has a collective pension scheme, to which it contributes 9.5% of the pensionable salary (*pensioengrondslag*). Employees have the option to increase their pension by contributing a portion of their (gross) salary.
8. DMFCO has established an employee participation program that provides senior employees the opportunity to participate in DMFCO by purchasing depositary receipts of shares. These receipts hold equivalent economic rights as shares but do not confer any voting privileges. Key features of the employee participation program include:
 - Depositary receipts must be fully paid and are not considered a form of remuneration; and
 - The purchase price of depositary receipts is determined at market value, adjusted for liquidity restrictions.
 - The receipts cannot be sold for the first five years;
 - Receipts can only be sold to DMFCO or its shareholders;
 - Receipts must be sold if the receipt holder is no longer an employee of DMFCO; and
 - Good- and bad-leaver arrangements dictate the selling price of the receipts.
9. The remuneration policy is, at least annually, subject to an internal assessment by DMFCO's Board of Directors and Management Team. The review includes an assessment of whether the policy is in line with market standards and comply with applicable regulations on controlled compensation policies.
10. Amendments to the Remuneration Policy must be approved by the Board of Directors of DMFCO.

4. Specific WFT-related comments regarding the remuneration policy

The Alternative Investment Fund Managers Directive (AIFM-richtlijn) and applicable laws and regulations, such as the Wft, provide explicit guidelines regarding the remuneration policy for managers of investment institutions. The specific provisions are detailed below, supplementing the general principles mentioned earlier:

1. The remuneration policy applies to all employees; both identified and non-identified employees.
2. There is no relation between remuneration and the number of assets under management or the performance of the portfolio(s).
3. DMFCO only grants severance pay if it is consistent with the performance achieved over time. Exceptions include situations of dismissal related to strategic changes, mergers and acquisitions, or when severance pay is determined through judicial proceedings.
4. Personal hedging strategies by employees and an insurance linked to remuneration and liability is prohibited. This prohibition is in place to prevent undermining the risk management effects inherent to the remuneration schemes.
5. Employees holding control functions operate independently from the business units they monitor. These employees receive remuneration based on the realization of their functional objectives, irrespective of the outcomes of the specific business operations they oversee.