Asset Management

DMFCO Remuneration policy

2022

1. INTRODUCTION

Objective

DMFCO (and all included enterprises) established the following provisions regarding the remuneration policy. 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 Holding B.V., subsidiaries and other affiliated enterprises.
Identified Employees	The employees whose activities materially influence DMFCO's risk profile. This concerns at least the following employees: ▪ Members of the Management Team; ▪ Employees who assess risks or exercise control functions; ▪ Employees who receive a total remuneration that is equal to or exceeds the remuneration 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 types of payments or benefits that are directly or indirectly paid by DMFCO to its employees in exchange for labour. This includes direct payments of money or benefits such as cash, stocks, options, wage deferral in case of dismissal and pension contributions. Remuneration also include matters such as health insurance compensation, discounts, and car and mobile phone schemes.
Fixed remuneration	Salary and other contractually agreed fixed remuneration elements.
Additional remuneration	Additional payments or compensations that are contingent on operating results.

3. GENERAL PRINCIPLES OF THE REMUNERATION POLICY

1. The long-term interests of DMFCO and its investors are an important prerequisite for the remuneration policy, and DMFCO shall ensure that the total remuneration does not result in a level of qualifying capital, solvency margin or equity capital that endangers DMFCO's long-term objectives.
2. DMFCO's remuneration policy is in accordance with, and contributes to, a sound and effective risk management and does not encourage taking more risks than acceptable to DMFCO and its investors.
3. The remuneration policy is consistent with the company strategy, risk appetite, DMFCO's Guiding Principles, and long-term interests of DMFCO, in which the relevant national context, the societal acceptance and laws and regulations are taken into account.
4. The remuneration of employees of DMFCO is in line with the market with respect to education, background and experience. The package of employment conditions is straightforward and remuneration generally is set at the second to third quartile. Recruiting of sufficient talent is ensured by providing ample room for development, the sense of being able to make a difference to company success in a small and agile organisation, and the provision of an enjoyable work environment.
5. The remuneration package is straightforward, consisting of salary, a collective pension scheme, a 16% end of year reward, travel imbursements and other costs such as lunch, snacks and drinks.
6. DMFCO employs no variable individual and objective-related remunerations, because it believes the success of the organisation is an integral responsibility of all employees. DMFCO furthermore does not believe in the long-term effects of individual remuneration incentives.
7. The remuneration policy is consistent with DMFCO integration of sustainability risk by abstaining from any form of variable compensation since that could have conflicting incentives.
8. The effects of the remuneration policy is at least annually subjected to an internal assessment by DMFCO's Management Team. This review also assesses whether the policy meets the regulations in force regarding controlled remuneration policies.

4. SPECIFIC WFT-RELATED COMMENTS REGARDING REMUNERATION POLICY

The Alternative Investment Fund Managers Directive (AIFM-richtlijn) and the laws and regulations based thereon, such as the Wft, set specific guidelines regarding the remuneration policy of managers of investment institutions. Some further specific provisions are provided below, insofar as these are not included in the general principles mentioned above.

1. The remuneration policy applies to all employees of DMFCO; to identified and non-identified employees.
2. No relation exists between remuneration and the assets under management or the performance of a portfolio.
3. DMFCO only grants severance pay if this is consistent with the achieved performance over time. This does not apply to severance pay in situations of dismissal related to changes in DMFCO's strategy or by mergers and acquisitions, or if the severance pay is determined in a judicial procedure.
4. Use of personal hedging strategies by employees is prohibited, as well as the use of an insurance linked to remuneration and liability to undermine the risk management effects that are embedded in their remuneration schemes.
5. The employees with control functions act independently from the business units they monitor, have sufficient authority and are remunerated based on the realisation of their functional objectives independent of the results of the specific business operations they monitor.