



1 October 2023

Remuneration policy for Belfius Asset Management

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Introduction

The remuneration policy of Belfius Group is applicable to Belfius Asset Management (“Belfius Asset Management”) members of Management Board and members of staff of Belfius Asset Management whose activity have a material impact on the risk profile of Belfius Group or Belfius Asset Management (individuals known as “Identified Staff”).

The specific remuneration policy of Belfius Asset Management also takes into account the remuneration policy of Belfius Group and is also based on the specific applicable framework for Belfius Asset Management: EU directive 2011/61 (annex II), UCITS V 2014/91 (Art.14a & 14b) and Belgian law 2014/04/19 (AIFMD) (Art. 40 – 42).

In line with Belgian law 2014/04/19 (AIFMD), Art. 43, Belfius Asset Management delegated the role of remuneration committee to the remuneration committee of Belfius Bank. The recommendations made by the remuneration committee are submitted for approval to the Boards of Directors of Belfius Asset Management.

As such, the remuneration committee of Belfius Bank reports to the Boards of Directors of Belfius Asset Management about the activities that apply to Belfius Asset Management through the relevant extracts of the minutes of the remuneration committee of Belfius Bank.

The remuneration policy of Belfius Asset Management (this document) does not create any rights for the employees of Belfius Asset Management to whom this remuneration policy applies to. The policy may, at the recommendation of the remuneration committee of Belfius Bank and validation thereafter by the Board of Belfius Asset Management, or at the initiative of the Board of Belfius Asset Management, and after recommendation of the remuneration committee of Belfius Bank, be adjusted by the Board of Directors of Belfius Asset Management at any time. This may be the case, a.o., in the event of:

- a change of the legislation relating to fiscal, social and accounting law;
- a change to the sound governance rules;
- a change to the applicable regulatory framework.

The application of this policy will be evaluated at least once per year.

The effects of the remuneration policy of Belfius Asset Management on the area of risk and risk management will be analyzed in their entirety by the Chief Risk Officer (CRO) of Belfius Bank in collaboration with Human Resources, Compliance and Audit of Belfius Bank. Together with the advisory committees of the Board of Directors and Human Resources of Belfius Bank, the CRO of Belfius Bank will submit, at least once a year, a written report to the Board of Directors of Belfius Bank with proposals (if need be) on elements of this remuneration policy that might make risk management even more effective than before. For Belfius Asset Management (BELFIUS ASSET MANAGEMENT), the CRO of BELFIUS ASSET MANAGEMENT will support the CRO of Belfius Bank in this yearly analysis.

The terms of this remuneration policy of Belfius Asset Management have been drawn up taking into account the principle of proportionality, as well as the current statutory and regulatory requirements, and taking into account the risk profile and obligations imposed and the targeted strategy.

In case the regulatory framework or the supervisory authority would oblige Belfius Asset Management to limit one or more of the intended remunerations or amounts, then the remunerations or amounts will be reduced accordingly.

1. Scope

This policy applies to members of Management Board and members of staff of Belfius Asset Management whose activity have a material impact on the risk profile of Belfius Group or Belfius Asset Management (individuals known as “Identified Staff”). In defining the target group that has a material impact on Belfius Group, it applies among others the criteria issued by the Commission of the European Union’s Delegated Regulation dated 25 March 2021 (EU 923/2021).

For Belfius Asset Management

- As defined in the Belfius Group remuneration policy, the members of the Management Board (further referenced as “Members of the Management Board”) of Belfius Asset Management are considered as identified staff that fall within “category 2” as defined in the remuneration policy of Belfius Group. Guidelines and restrictions that are defined for this category in the remuneration policy of Belfius Group are integrated in the remuneration policy of Belfius Asset Management. In case of differences between the policies of Belfius Asset Management and Belfius Group, the strictest guideline or restriction will apply.
- The members of compliance, risk, and the individuals in charge of administration and economic analyses, as well as the heads and members of investment committees, risk committees, new product committees and the portfolio managers, are identified as identified staff of Belfius Asset Management (further referenced as “Other Identified Staff”). For the avoidance of doubt, this category Other Identified Staff includes any employee and other member of staff at fund level, sub-fund level or client portfolios who are (i) decision takers, (ii) fund/portfolio managers and persons who take real investment decisions, (iii) persons who have the power to exercise influence on such employees or members of staff, including investment advisors and analysts, (iv) senior management and (v) any employees receiving total remuneration that takes them into the same remuneration bracket as the Management Board of Belfius Asset Management. For the avoidance of doubt, these profiles have no material impact on the risk profile of Belfius Group, only on Belfius Asset Management level and as such are not considered as category 2 under the Belfius Group wide policy.

UCITS V refers explicitly to management companies of undertakings for collective investment in transferable securities (UCITS): *“In order to address the potentially detrimental effect of poorly designed remuneration structures on the sound management of risks and on the control of risk-taking behaviour by individuals, there should be an express obligation for management companies of undertakings for collective investment in transferable securities (UCITS) to establish and maintain, for those categories of staff whose professional activities have a material impact on the risk profiles of the UCITS that they manage, remuneration policies and practices that are consistent with sound and effective risk management. Those categories of staff should include any employee and other member of staff at fund or sub-fund level who are decision takers, fund managers and persons who take real investment decisions, persons who have the power to exercise influence on such employees or members of staff, including investment advisors and analysts, senior management and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision takers. Those rules should also apply to investment companies that have not designated a management company authorised pursuant to Directive 2009/65/EC. Those remuneration policies and practices should apply, in a proportionate manner, to any third party which takes investment decisions that affect the risk profile of the UCITS because of functions which have been delegated in accordance with Article 13 of Directive 2009/65/EC.”*

2. Definition of remuneration

2.1. Definitions

In the context of this policy, the term "remuneration" is understood to mean any form of remuneration that is allocated or paid in exchange for the services provided/work carried out.

Any type of remuneration may consist of:

- a fixed part (including among others the fixed salary, job-related allowances on condition that the person continues to occupy that position, health insurance, company car, cost allowances, collective pension plans)
- and a performance-related part including any additional payments that are linked to performance criteria.

All elements of the remuneration may include payments or benefits that can be valued in monetary terms, such as shares, options and pension contributions, etc., as well as benefits that cannot be valued directly in monetary terms, such as healthcare insurance, company car, mobile telephone, etc.

2.2. General principles

In order to guarantee attractive and competitive remuneration, Belfius Group and/or Belfius Asset Management may call on the services of internal and external consultants. This input makes it possible to review the remuneration policy against a specific benchmark.

Belfius Group and Belfius Asset Management compare the remuneration of members of Management Board and members of staff to whom this remuneration policy applies with their equivalent counterparts working for the competition based on the job content, experience and length of service. Therefore, the positioning is done in relation to a reference market.

Belfius and its subsidiaries apply a gender-neutral remuneration policy that is translated by, but not limited to:

- Ensuring equal access to all positions available within the company, without distinction of gender;
- Applying the same remuneration system within the same category of employees, without distinction as to gender;
- Aiming for equal pay for equivalent final responsibilities, and experience;
- Discussing, measuring and reporting on evaluations, remunerations and promotions annually within the decision-making bodies in order to monitor the effective application of the principles of gender neutrality.

The maintaining of attractive remuneration packages must occur within the budgetary framework defined by the Board of Directors of Belfius Asset Management, taking into account the sound management of economic resources. Belfius Asset Management's Board of Directors can always decide on additional specific measures that would be required to attract the missing or to retain the already present talents, according to and in line with its responsibilities as Board of Directors of Belfius Asset Management.

Fixed remuneration constitutes an appreciable part of total remuneration and is designed to reward the work carried out by the members of Management Board and members of staff to whom this remuneration policy applies, taking account of their experience, length of service, education and qualifications, the tasks they carry out, their responsibility and the level of the position they occupy.

In addition to a fixed amount of remuneration, Belfius Asset Management seeks to offer performance-related remuneration to the members of Management Board and members of staff involved, in order to remunerate group's, company's and individual performance in line with the appreciation thereof and in order to contribute to retaining and motivating those already working for the company, as well as to recruiting new talents in line with market practices.

Belfius Asset Management wishes to dispose of a system of performance-related remuneration, in line with the goals of the group and company in the long term, aimed at encouraging sound, effective risk management and compatible with the risk profile of the group, company and/or the ICB and AICB managed.

To that end, Belfius Asset Management seeks to achieve a balance between the fixed and performance-related parts of the remuneration so that the taking of excessive risks is not encouraged. The current system gives Belfius Asset Management the possibility, for all of the members of Management Board and members of staff involved or for some of them, as the case may be, to reduce their performance-related remuneration – even to zero – in the event of poor (collective or individual) performance, taking account of the hierarchical level of the relevant members of Management Board and/or members of staff and/or the statutory basis on which that performance-related remuneration is based.

For members of the Management Board, the maximum performance-related remuneration is capped at the highest of 50% of the yearly fixed remuneration or 50 000 EUR.

For Other identified Staff, the maximum performance-related remuneration is capped at the highest of 100% of the yearly fixed remuneration or 50 000 EUR.

Belfius Asset Management is aware that no incentive of any kind may be given that may disrupt the proper functioning of market mechanisms.

In addition, Belfius Asset Management, in line with the Belfius Group policy, ensures that the performance-related part of remuneration also depends on non-financial ESG (Environment, Social & Governance) criteria, aimed at creating sustainable value for the company, society and the environment.

The Chief Risk Officer of Belfius Asset Management receives targets related to the (consolidated) Belfius Group or Belfius Asset Management financial and commercial results but the relative weight of these financial and commercial targets in the overall policy applicable to the CRO is limited to ensure appropriate independence of his or her decisions.

The Compliance Officer, as the other independent control function, is not given any targets that are related to the (consolidated) financial and commercial results of Belfius Group or Belfius Asset Management.

2.3. Roles and responsibilities

HRM of Belfius Asset Management, supported by the different departments HRM, Legal, Audit at Belfius Bank and Risk Management at Belfius Asset Management takes the lead in developing the remuneration policy and remuneration systems that are to be proposed to and validated by the Board of Directors.

In practice:

- HRM Belfius Bank: consistency and coherency for Belfius Group;
- HRM Belfius Asset Management: Coordinate the creation and evaluation of the Belfius Asset Management remuneration policy;
- Legal Belfius Bank: regularly review of the remuneration policy in view of applicable regulations;
- Audit Belfius Bank: periodically conducting an independent audit of the development, implementation and day-to-day application of the remuneration policy.
- Compliance Belfius Asset Management: ensuring that the implementation of the remuneration policy complies with current regulations;
- Corporate Office Belfius Asset Management: challenging the budget for any performance-related remuneration that HRM proposes, based on the remuneration policy.
- Risk Management Belfius Asset Management:
 - The CRO of Belfius Asset Management coordinates the drafting of a risk framework that is structured using the Key Risk Indicators allocated to each member of Identified Staff. The CRO is also responsible for a (periodic) evaluation of these indicators and for reporting. Finally, the CRO is responsible for aligning with Audit and Compliance when necessary in order to be able to make a full assessment of all types of risk indicators;
 - The Board of Directors of Belfius Asset Management makes sure that the risk management and equity capital requirements for Belfius Asset Management, as well as the profit capacity and the risk profile of the company and the ICB and AICB managed are duly and diligently taken into consideration for decisions regarding the remuneration policy.

2.4. Specific provisions regarding remuneration for identified staff

The Board of Directors of Belfius Asset Management makes decisions about the remuneration of the identified staff of Belfius Asset Management, considering the recommendation of the remuneration committee of Belfius Bank. Members of the Management Board do not participate in the part of the session of the Board of Directors that deliberates on their remunerations.

The remuneration committee of Belfius Bank gives advice on the remuneration of members of Management Board and members of staff involved based on a proposal of the chairman of the Management Board of BELFIUS ASSET MANAGEMENT.

The remuneration committee of Belfius Bank and the chairman of the Management Board of BELFIUS ASSET MANAGEMENT will be assisted in their task by Belfius Bank's departments for Human Resources, Legal and Tax and by BELFIUS ASSET MANAGEMENT's Human Resources, Risk and Compliance. If necessary, they may also be assisted by independent external consultants and experts on remuneration.

In order to offer market competitive remuneration, the remuneration committee of Belfius Bank can request – from time to time – a benchmark study. It will then make a proposal to the Board of Directors of Belfius Asset Management to determine (a) the reference group of the companies that are to be included in the benchmark, and (b) the positioning of Belfius Asset Management in relation to this reference group. At this stage, this positioning in relation to the benchmark in the market is determined using the median as a reference point.

When this benchmark is being analyzed, the remuneration committee of Belfius Bank will put forward to the Board of Directors of Belfius Asset Management recommended ranges for the fixed remuneration and, where necessary, any adjustment to the range of performance-related remuneration, as well as all other changes justified by developments in the market. If the circumstances require, adjustments to remuneration can also be proposed proactively, outside such benchmarking exercise, to the remuneration committee of Belfius Bank.

The fixed and performance-related remuneration of employees considered as identified staff constitutes a total remuneration package, from which all attendance fees and directors' fees that are paid to the employee in question on the grounds of a mandate in the name of and on behalf of Belfius Asset Management are deducted, regardless of who pays these attendance fees and directors' fees.

2.4.1. Fixed remuneration

The fixed remuneration forms the base on which the performance-related remuneration is calculated. This remuneration is subject to the required statutory, regulatory and contractual stipulations. Any changes to the remuneration take place based on the relevant elements mentioned in this remuneration policy.

2.4.2. Performance relation remuneration for identified staff

Range of performance-related remuneration

The target for performance-related remuneration is a certain percentage of the annual fixed remuneration. This target amount is recommended, in principle, each year by the remuneration committee of Belfius Bank and approved by the Board of Directors of Belfius Asset Management.

The range of performance-related remuneration is determined based on the benchmark study and circumstances specific to the company. It constitutes a target that will only be achieved if all of the objectives are reached.

This performance-related remuneration may be lower/higher than the 100% target if targets have not been achieved or exceeded or in execution of executive statutory, regulatory or contractual provisions.

Envelope of performance-related remuneration for identified staff

The envelope of performance-related remuneration is proposed by the chairman of the Management Board of BELFIUS ASSET MANAGEMENT on the joint recommendation of Belfius Asset Management Human Resources and Risk Management. This envelope is submitted for recommendation to the remuneration committee of Belfius Bank and for approval to the Board of Directors of Belfius Asset Management.

Composition of the performance-related part

Performance-related remuneration is made up of three parts that are assessed separately based on a number of financial and non-financial, quantitative or qualitative criteria:

- General part (which represents 30% of total performance)
- Business and Strategy part (which represents 40% of total performance)
- Behavior part (which in principle represents 30% of total performance)

Non-financial criteria such as customer satisfaction, employee commitment, leadership development, diversity, operational risk management, efficiency or the evolution of the group's ESG indicators are included in the three parts and represent at least 1/3 of the overall performance.

Risk and compliance aspects are included in the objectives of each of the three parts. These aspects can be translated in qualitative or quantitative criteria. Even if no specific targets are mentioned, the following aspects are included by default: the constructive partnering with all lines of defense and regulators, the formalization of business process and 1st line of defense internal controls in policies and procedures, the compliance with the own and the lines of defense policies and procedures. Fulfilling Risk and Compliance objectives are in that way considered as very important parts of the performance criteria.

In the event of a consolidated loss by Belfius Group (net income after taxes), a significant decline in results or other unfavorable circumstances, the Group and entity part and the business and strategy part of the performance-related remuneration may be reduced to zero. If this is the case, only the achievement of targets relating to the behavior part in the performance-related part may justify any payment of performance-related remuneration.

The entire performance-related remuneration may also be reduced to zero if the individual assessment falls below a certain percentage or if the results or other circumstances in which Belfius Group or Belfius Asset Management may find itself are so materially unfavorable that the Board of Directors of Belfius Asset Management, on the recommendation of the remuneration committee of Belfius Bank, decides to reduce the performance-related remuneration to zero.

General part

This part is common to all identified staff employees of Belfius Asset Management, with the exception of the employees that have an independent control function. This part is calculated based on indicators taken into consideration by the Board of Directors of BELFIUS ASSET MANAGEMENT.

Business and Strategy part

The business and strategy part is assessed individually in the light of the objectives allocated to the employees of this category. In the criteria for the evaluation, account is taken of the risk criterion that is specific for the business line of the employee. The risk criteria for each business line are proposed by the chairman of BELFIUS ASSET MANAGEMENT's Management Board based on the joint recommendation of the different departments within BELFIUS ASSET MANAGEMENT. The criteria are submitted for recommendation to the Board of Directors of Belfius Asset Management for approval.

Behavior part

The behavior part is assessed based on the objectives for the year in question, based on more qualitative criteria, such as management skills, the way in which the concerned employee lives up to the expected behaviors within Belfius IP and compliance with the mission of Belfius Asset Management.

The entire performance-related remuneration may be reduced to zero if the individual assessment falls to below a certain percentage. This decision will be taken by the Board of Directors of Belfius Asset Management for members of the Management Board and by the Management Board of Belfius Asset Management for Other Identified Staff and other employees of Belfius Asset Management.

2.5. Specific provisions regarding the remuneration of Members of the Management Board

The remuneration for the Members of the Management Board is defined by the Board of Directors of Belfius Asset Management, after advice of the remuneration committee of Belfius Bank.

In order to offer remuneration that is in line with the market, the remuneration committee can request a benchmark study as mentioned and explained before.

The envelope of performance-related remuneration is proposed by the Chairman of the Board of Directors of Belfius Asset Management, on the joint recommendation of Human Resources and Risk Management BELFIUS ASSET MANAGEMENT. This envelope is submitted for recommendation to the remuneration committee of Belfius Bank and for approval to the Board of Directors of Belfius Asset Management.

Performance-related remuneration is part of a fair balance between fixed and performance-related remuneration, taking also into account the nature of activity and the market.

In the event of a consolidated loss by Belfius Group or Belfius Asset Management, a significant decline in results or other unfavorable circumstances, the performance-related remuneration may be reduced from target levels and the envelope may even be reduced to zero, even if the department and/or the member of the Management Board has achieved the its own specific targets set.

This decision will be taken by the Board of Directors of Belfius Asset Management, at the recommendation of the remuneration committee of Belfius Bank.

2.6. Specific provisions regarding the remuneration of the independent control functions including the managers in charge for the independent control functions

Performance criteria and assessment

The definition of the performance criteria and the assessment of the achievement of the objectives (evaluation) of the Chief Risk Officer are prepared by the remuneration committee of Belfius Bank and submitted for approval to the Board of Directors of Belfius Asset Management.

For the other control function, the performance-based portion consists of two parts, which are evaluated separately based on a number of financial and non-financial, quantitative or qualitative criteria. There is no group share so the business & strategy share is in principle 70% and the behavior share is in principle 30%.

The definition of the performance criteria and the assessment of the achievement of the objectives (evaluation) of the Compliance Officer is prepared by the remuneration committee of Belfius Bank and validated by the Board of Directors of Belfius Asset Management.

Preparation of the resolutions on remuneration

The remuneration committee oversees the remuneration of the persons responsible for the independent control functions (Chief Risk Officer and Compliance Officer).

The proposed resolution on the remuneration of the Chief Risk Officer is submitted for approval to the Board of Directors of Belfius Asset Management.

Moreover, the remuneration committee also oversees the remuneration allocated to the persons responsible for the independent control functions (Compliance Officer) and is submitted for approval to the Board of Directors of Belfius Asset Management.

3. Payment of performance related remuneration

3.1. Principle

To link the remuneration of members of staff and the Management Board to whom this remuneration policy applies to changes in their performance and the future consequences of those changes, the performance by which their performance-related remuneration is defined is assessed over several years, taking into account of the long-term interests of Belfius Group, Belfius Asset Management, the funds under management and the investors.

Payment of part of the performance-related remuneration is deferred and made conditional on the individual's performance, as well as the performance of the business unit in which they work and the overall performance of Belfius Asset Management and Belfius Group, that is to remain at a sufficient level. The aim of this is to reward the performance in the long term, which for the future can depend on decisions made in the past and for which outcome will become only visible in the future.

The deferred part will not be paid unless and until these conditions have been fulfilled. This decision will be taken by the Board of Directors of Belfius Asset Management, at the proposal of the remuneration committee of Belfius Bank.

3.2. Calculation of the deferred part of the performance-related remuneration

The principle of spreading over time the performance-related remuneration applies from the first euro for the whole of the performance-related remuneration if the total amount allocated to performance-related remuneration exceeds a defined amount, agreed in advance at applicable governance levels, including with the regulator.

The part of the performance-related remuneration that is not deferred will be obtained by the member of the Management Board or member of staff during the first half of the year following the performance year for half of the amount in cash, and half of the amount obtained paid in financial instruments¹

- Belfius Asset Management Members of the Management Board:
 - No deferral is applicable if the total variable pay does not exceed 50.000 Euro. Clawback remains applicable on this amount.
 - The deferred part corresponds to 40% of the total amount of the performance-related remuneration, unless the performance related remuneration is more than 200.000 EUR, then the deferred part corresponds to 60% of the total amount of the performance-related remuneration.
 - Deferred for 4 years, of 20% of cash and 20% of Financial Instrument (resp 30% of cash and 30% of Financial Instrument when performance related remuneration is more than 200.000 EUR), on which malus and clawback is applicable

> If variable remuneration is > 50.000 EUR : 40% deferral for 4 years, 50% in financial instrument, subject to malus and clawback

| Year of payout | yy+1 | yy+2 | yy+3 | yy+4 | yy+5 | yy+6 | TOTAL |
|-----------------------|--------|--------|--------|--------|--------|-------|---------|
| Cash | 30,00% | 5,00% | 5,00% | 5,00% | 5,00% | | 50,00% |
| Financial instrument | → | 30,00% | 5,00% | 5,00% | 5,00% | 5,00% | 50,00% |
| TOTAL payout per year | 30,00% | 35,00% | 10,00% | 10,00% | 10,00% | 5,00% | 100,00% |

¹ fund units (or a combination of fund units), managed by BELFIUS ASSET MANAGEMENT, to align clients' interests with those of the identified staff.

- Belfius Asset Management Other identified staff:
 - No deferral is applicable if the total performance related pay does not exceed 100.000 Euro. Clawback remains applicable on this amount.
 - Otherwise, the deferred part corresponds to 40% of the total amount of the performance-related remuneration, unless the performance related remuneration is more than 200.000 EUR, then the deferred part corresponds with 60%.
 - Deferred for 3 years, of 20% of cash and 20% of Financial Instrument (resp 30% of cash and 30% of Financial Instrument when performance related remuneration is more than 200.000 EUR), on which malus and clawback is applicable

> If variable remuneration is > 100.000 EUR : 40% deferral for 3 years, 50% in financial instrument, subject to malus and clawback

| Year of payout | yy+1 | yy+2 | yy+3 | yy+4 | yy+5 | yy+6 | TOTAL |
|-----------------------|--------|--------|--------|--------|-------|------|---------|
| Cash | 30,00% | 6,67% | 6,67% | 6,67% | | | 50,00% |
| Financial instrument | → | 30,00% | 6,67% | 6,67% | 6,67% | | 50,00% |
| TOTAL payout per year | 30,00% | 36,67% | 13,33% | 13,33% | 6,67% | | 100,00% |

3.3. Method of acquisition for performance-related compensation

The acquisition and possible payment of performance-related remuneration will take place in accordance with the statutory and regulatory provisions. The exact terms of obtaining and receiving payment are stated in an individual agreement with each of the individuals concerned.

3.4. Terms relating to the acquisition or payment of the deferred part of the performance-related remuneration

3.4.1. 'Malus' arrangements

Notwithstanding the statutory and regulatory provisions:

- the total allocated but not yet acquired part of the variable remuneration (both in cash and in financial instruments) will be reduced to zero (€ 0.00) in case of fraud, misleading, misconduct or other illicit or deviant practices were proven. This includes all cases as foreseen in art. 8 annex II of the banking law.
- the allocated but not yet acquired part of the variable remuneration (both in cash and in financial instruments) relating to the year in which it was obtained, may be reduced to zero (€0.00) in situations where the financial performance of Belfius Asset Management is subdued or negative or in the previous year the minimum requirements of the risk gateway of Belfius Bank were not attained;
- the total allocated but not yet acquired part of the variable remuneration (both in cash and in financial instruments) may be reduced to zero (€ 0.00) and be definitively lost as the result of a decision by the Board of Directors, with motivated reasoning, at the proposal of the remuneration committee, if the individual is no longer bound by an employment agreement with Belfius Asset Management except in the case of:
 - termination of the employment agreement or mandate with the individual for reasons that he or she is eligible for an (early) legal pension
 - termination of the employment agreement or mandate with the individual on account of the death of the individual.

If Belfius Asset Management deems it necessary to apply one of the paragraphs above in this article, the individual will be notified by registered letter as to the reasons why this decision has been taken.

3.4.2. 'Clawback'

Notwithstanding the statutory and regulatory provisions:

- the total allocated but not yet acquired part of the variable remuneration (both in cash and in financial instruments) will be claimed back by Belfius Asset Management in case of fraud, misleading, misconduct or other illicit or deviant practices were proven. This includes all cases as foreseen in art. 8 annex II of the banking law. Belfius Asset Management may make use of this right until N+7 for identified staff;
- with regard to the financial instruments, the total amount acquired but not yet paid of the variable remuneration may be reduced to zero (€ 0.00) and be definitively lost when, in relation to the acquisition year:
 - in situations where in the previous year the minimum requirements of the risk gateway of Belfius Bank were not attained;
 - the amount of the variable remuneration is not acceptable in view of the financial situation of Belfius Group in its entirety and is not justified by the performance of Belfius Asset Management, the business unit to which the individual belongs and the performance of the individual himself or herself.
- with regard to the financial instrument, the total amount acquired but not yet paid of the variable remuneration may be reduced to zero (€ 0.00) and be definitively lost as the result of a decision by the Board of Directors of Belfius Asset Management, stating reasons, at the proposal of the remuneration committee of Belfius Bank, if the individual is no longer bound by an employment agreement with Belfius Asset Management except in the case of:
 - termination of the employment agreement or mandate with the individual for reasons that he or she is eligible for an (early) legal pension
 - termination of the employment agreement or mandate with the individual on account of the death of the individual.

4. Sign-on payments

If a sign-on payment were to be made by way of compensation for a loss resulting from a change of employer, this compensation must reflect the long-term interests of the company, in particular in the areas of retention, payment deferral, assessment of performance and clawback rules.

The sign-on payment that doesn't target a compensation can only be attributed once when Belfius Asset Management has a solid capital base. The payment will be executed before the first performance year starts. Malus and clawback are not applicable and the entire amount can be paid in cash.

Such sign-on payments need to be approved by the Board of Directors of Belfius Asset Management.

5. Severance pay

Severance pay is designed not to reward failure. Severance pay not only covers compensation for dismissal or redundancy, but also any other payment allocated at the end of an employee's or member of Management Board's contractual relationship in any form whatsoever, including payments for non-competition for a defined period after ending the contractual relationship.

When the mandate of a Member of the management board of Belfius Asset Management is terminated by Belfius Asset Management during its term or not prolonged for a next term, and the termination is not due to failure or retirement, a severance arrangement will be elaborated which cannot exceed 24 months of fixed salary and which in principle consists of:

- a severance pay that corresponds with 6 to 12 months of fix remuneration payable in accordance with the applicable legal provisions;
- a possible non-competition clause of 12 to 18 months, applicable for competitive activities in Belgium and with a remuneration corresponding to the fixed remuneration over this period, payable in monthly cash payments.

A proposition of severance pay is prepared by HR Belfius Asset Management, if required validated with the independent control functions, proposed to the remuneration committee of Belfius Bank, and deliberated by the board of directors of Belfius Asset Management (and if required the general assembly of Belfius Asset Management).

When a severance payment is prepared, the performance of the last 2 years before the termination date will be taken into account to avoid severance pay being allocated as a reward for failure.

Before the above-mentioned principles are applied the severance payment and the conditions will be validated on the basis of the legal and regulatory framework applicable at the time of the termination of the contract. This could lead to the a situation where (a) the above mentioned amounts are reviewed downwards, (2) specific payment instructions, such as deferral, have to be integrated or (3) the above mentioned principles and outcome thereof need to be validated by additional stakeholders, such as the shareholders of Belfius Asset Management.

In case the above mentioned principles cannot be applied, Belfius Asset Management commits to do all that is reasonably possible, to propose an alternative that is as close as possible to the above proposed principles and that is in line with the legal and regulatory framework applicable at that time.

6. Prohibitory clauses

6.1. No guarantee of performance-related remuneration

No performance-related remuneration is guaranteed. The only exception relates, in exceptional cases and to the extent that it is possible based on statutory and regulatory provisions, to the recruitment of new members of staff of members of Management Board of Belfius Asset Management to whom performance-related remuneration may have been guaranteed during their first year of service.

6.2. Prohibition on hedging

The members of staff of members of Management Board of Belfius Asset Management to whom this remuneration policy applies may not use strategies involving personal hedging or insurance cover that is linked to remuneration or liability to counter the impact of the adjustment of the risk stated in this remuneration policy.