

Remuneration Policy

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1. Introduction

The Remuneration Policy of Arvestar (hereinafter "the Company") was drawn up in application of and in accordance with the legal requirements on remuneration policy within management companies of UCIs. Since the Company is an indirect subsidiary of a credit institution offering investment services, i.e. Argenta Spaarbank NV, the remuneration policy also takes into account certain regulations applicable to its parent company.

The Remuneration Policy further takes into account:

- the specific guidelines, directions and regulations of the control authorities; and
- European Financial Markets Authority ("ESMA") guidelines on sound remuneration policies.

The objective of the Remuneration Policy is to frame the remuneration mechanisms within the Company with a view to promoting controlled and effective risk management. In doing so, no risk is encouraged which exceeds the level of risk tolerated within the Company and which is incompatible with the risk profile, rules and statutes of the UCIs managed by Company, while respecting the interests of its clients, and promoting the objectives and long-term interests of the Company as well as the absence of conflicts of interest.

2. Governance

Scope

This policy applies to the whole of the Company's Employees, including Employees performing Control Functions. If applicable, a remuneration policy specific to Identified Staff will complement the current Remuneration Policy.

Responsibilities

In line with the group policy on applicable remuneration policies, the Company provides governance adapted to its own organisation.

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Version management

Reference version	Description
2018.09.25	Remuneration policy
2019.09.30	Remuneration policy
2020.10.29	Remuneration policy
2021.02.16	Remuneration policy
2021.12.03	Remuneration policy
2022.11.15	Remuneration policy
2023.06.28	Remuneration policy
2024.09.18	Remuneration policy

Relevant laws and regulations

Abbreviation	Reference
	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR') imposes certain sustainability-related disclosure requirements on financial institutions that make investment products available and/or provide investment or insurance advice.
	Directive 2013/36/EU of the European Parliament and of the Council of 26 June on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and its application by internal Belgian regulations and, in particular, the law of 25 April 2014 on the statute and supervision of credit institutions
	Directive 2014/91/EU of the 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 law transposing this directive into Belgian law, in particular the law of 25 December 2016 transposing Directive 2014/91/EU and containing various provisions.
	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2014 on the market in financial instruments and Commission Directive 2006/73/EC of 10 August 2006 laying down detailed rules for the implementation of Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and implementation conditions applicable to investment firms
Financial Markets Act	Act of 2 August 2002 on supervision of the financial sector and financial services

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Abbreviation	Reference
	Royal Decree of 3 June 2007 laying down detailed rules transposing the Markets in Financial Instruments Directive.
	Guidelines ESMA 2016/575 of 14 October 2016 on sound remuneration policies under the UCITS Directive.
	Guidelines ESMA 2016/411 of 31 March 2016 on sound remuneration policies under the UCITS Directive and AIFMD
	Guidelines FSMA_2014_10 of 29/09/2014 on sound remuneration policies under AIFMD: implementation by FSMA and Guidelines ESMA 2013-232 of 30 January 2014 on remuneration policies applicable to alternative investment fund managers
	FSMA_2013_19 guidelines of 4 December 2013 on remuneration policies and practices (MiFID Directive): implementation by FSMA and ESMA 203/606 Political Guidelines and remuneration practices (MIFID Directive) of 3 June 2013
	CBFA regulations of 8 February 2011 and Circular CBFA_2011_05 of 14 February 2011 on proper remuneration policies (which introduces into Belgian regulation the guidelines of 10 December 2010 of the Committee of European Banking Supervisors; "CEBS Guidelines")
	Circular CBFA_2009_34 of 26 November 2009 - Recommendation on sound remuneration policies of financial institutions

3. Terminology

Term	Meaning
Control function	Any employee employed in one of the following departments responsible for performing the independent operational control functions: Compliance, Risk Management and Internal Audit
Supervisory authority	The controlling authority or authorities to which the Company is subject under the legislation applicable to it
UCITS	Undertakings for collective investment meeting the conditions of Directive 2009/65/EC
Executive committee	The executive committee of the Company
FSMA	Financial Services and Markets Authority
Identified Staff	Employees of the Company, designated by the Executive Committee for the application of the selection methodology and criteria determined by the Board of

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Term	Meaning
	Directors, in accordance with ESMA Guidelines 2013/232 and 2016/575
Staff member	Any salaried employee, including any executive director and member of an executive committee, who performs professional activities for the Company
Termination fee	Any payment related to the early termination of a contract
Board of Directors	The board of directors of the Company
Remuneration	Any form of awards, payments and benefits, even non-financial, granted directly or indirectly, but on behalf of the Company, in exchange for labour services provided by an Employee of the Company.
Fixed remuneration	Any Fixed Compensation granted contractually, regardless of the Employee's performance. Are not considered part of the Fixed Compensation the Severance Pay and the global Compensation in connection with the compensation or surrender of contracts from previous employments
Company	Arvestar Asset Management, a limited liability company with its registered office at Rue Guimard 19, 1000 Brussels

4. Description of the Policy

4.1 Reference framework

This Policy is the translation of the policy vision on business capabilities as laid down in policy documents on Remuneration. The relevant laws and regulations described therein also apply to this Policy.

4.2 General remuneration principles

This policy cannot be separated from the following policy documents:

- The general remuneration policy applicable to all entities within Argenta Group
- Argenta Group's remuneration policy applicable to Identified Staff

Under the Remuneration Policy and all related documents, each Remuneration consists only of the Fixed Remuneration. Accordingly, no Variable Remuneration is granted.

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Arvestar Asset Management explicitly grounds its remuneration policy on sustainability. Sustainability is translated in various ways, but importantly, Arvestar Asset Management strives to offer all employees a balanced remuneration package. An important element in this is the gross monthly salary, which is supplemented by holiday pay and a thirteenth month. The remuneration policy determines which scales apply to which positions. It takes into account the degree of difficulty, the responsibility, the level of training or experience required and the specialisation needed for a particular job. Other elements also have their place in a balanced remuneration package, in which well-considered choices are made: hospitalisation insurance, group and disability insurance and meal vouchers. Company cars or flat-rate expense allowances may be granted for certain positions.

The foregoing has the effect that the salary of Arvestar Asset Management's employees, executives and board members consists solely of a fixed amount. Arvestar Asset Management continues to assume in its operations that variable remuneration is not an issue. We hereby underline that neither directors, executives nor employees receive any variable remuneration (bonus), shares, stock options, entry bonus or deferred remuneration.

Arvestar Asset Management thus wants to avoid making decisions that are driven by short-term considerations and that may go against the sustainable long-term evolution of the company.

The following general remuneration principles apply to all Employees:

- HR managers delegated by Argenta Bank- en Verzekeringsgroep NV ("Argenta BVG"), appointed by the Company ensures a harmonisation of functions and promotes the homogeneous treatment of remuneration packages and other benefits granted to staff members according to the duties and responsibilities performed.
- Argenta BVG ensures the development of an annual Individual Evaluation Process.
- In this context, the Company outsources the day-to-day management of human resources to Argenta BVG.
- Any internal practices or provisions regarding remuneration or performance monitoring that apply together with the Remuneration Policy:
 - Are consistent with the economic strategy, objectives, values and risk level tolerated by the Company;
 - Support the long-term interests of the Company as well as the interests of the Company's clients, including avoiding conflicts of interest;
 - Ensure and promote controlled and effective risk management and support the effective control of risk as well as the protection of a sound and controlled financial position;
 - Comply with European and Belgian regulations on remuneration policy;
 - Are adequately written so that there can be appropriate follow-up on their application.
- Any policy on pensions is consistent with the Company's economic strategy, objectives and values and long-term interests.

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- Without prejudice to the mandatory legal rules on the dissolution of employment contracts, independent cooperation and mandate, payments related to the dissolution of a contract will have to correspond to performance achieved over time and will not reward failure or shortcomings.

Moreover, the following general principle on remuneration applies to the Control Functions: the level of fixed remuneration is sufficiently high to ensure that competent and experienced staff can be attracted and retained.

4.3 Principles on performance monitoring

4.3.1 Principles on performance monitoring for all Employees

- At the beginning of the performance period, the Employee and one of his hierarchical superiors mutually agree on a set of performance targets in line with the Company's strategy.
- In line with the Company's internal policy on the prevention and management of conflicts of interest, the performance targets avoid creating conflicts of interest arising in particular from incentives that might encourage Employees to put their own interests first, or possibly the Company's interests at the expense of clients. To this end, the set of performance objectives will include a significant portion of qualitative criteria.
- A performance evaluation is done at the end of the performance period by one of the hierarchical managers. This is done on the basis of financial and non-financial and individual and collective criteria.
- The setting of performance targets and evaluation of performance are always recorded in writing.

4.3.2 Principles on performance monitoring applicable to Control Functions

At the beginning of the performance period, the Clerk and the person in charge of the Control Function mutually agree on a set of performance targets.

The objectives of the Control functions are defined by considering the following constraints:

- The objectives are goals related to the performance of functions, which largely include qualitative criteria;
- At no time may the performance objectives of a Control Function compromise its independence, or give rise to a conflict of interest, nor, more concretely, cause any of its decisions or actions to have a direct impact on the achievement of its financial objectives.
- A performance evaluation will be done at the end of the performance period by one of the hierarchical managers. That evaluation will be validated by the manager on whom the Control function depends.
- The setting of performance targets and evaluation of performance are always adequately recorded in writing.

The Control Functions Compliance & Risk Management will review, based on random sampling by Compliance & Risk Management, the individual performance targets and those of a group of Employees that were set in a given year

4.4 Structure and governance relating to remuneration

4.4.1 General

The following bodies and functions intervene in the area of Remuneration Policy within the Company:

- The Board of Directors of the Company;
- The Executive Committee of the Company;
- The Remuneration Committee of Argenta BVG;
- Control functions.

4.4.2 Executive committee of the Company

The Company's Executive Committee implements the Remuneration Policy with the help of Argenta BVG.

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

The members of the Executive Committee intervene on an individual basis for the staff members over whom they exercise hierarchical responsibility using the annual Individual Evaluation Process (Performance Management Cycle).

The Executive Committee takes individual decisions on the remuneration of staff members who do not perform a control function, are not executive members of the Board of Directors or belong to the 'Identified Staff' category.

4.4.3 Remuneration committee at the level of Argenta BVG

For the purpose of applying the Remuneration Policy, the Remuneration Committee of Argenta BVG is also competent for the Company.

The Remuneration Committee:

- gives opinions on the remuneration proposals made by the hierarchical managers as part of the annual Individual Evaluation Process to ensure that the Remuneration Policy is applied coherently within the Argenta Group;
- regarding the remuneration of employees, executives and members of management (excluding the members of the Executive Committee) analyses, where appropriate, the recommendations of the heads of departments and proposes new 'packages', ensuring their overall consistency and conformity with the Remuneration Policy and the Remuneration Policy for Identified Staff and the applicable sector regulations.
- formulates opinions and proposals of decision to the Executive Board concerning:
 - the Remuneration Policy within the Company and any change made to it;
 - the Remuneration of Identified Staff, Control Functions and Executive Board Members.

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In its opinions and preparatory decisions, the Remuneration Committee takes into account the proposals and recommendations of the responsible persons of the departments, the long-term interests of the shareholders, investors and other stakeholders of the Company as well as the public interest.

4.4.4 Control functions at Argenta BVG level

- The employees responsible for performing the independent operational control functions are independent of the Company's operational teams and have the necessary prerogatives to ensure the proper performance of their functions.
- The Control functions, and more specifically Risk Management and Compliance, work closely with the Board of Directors, the Executive Committee and the Remuneration Committee to ensure that the Remuneration Policy is adequately applied, as well as the regular review of the Remuneration Policy and the Remuneration Policy for the 'Identified Staff'.
- Within the framework of this cooperation, the Control Functions may formulate opinions at any time, on the initiative or request of the bodies concerned.
- The Control Functions also work together to determine the Company's overall remuneration strategy, taking into account the promotion of effective risk management.

4.5 Precedence over other regulations, policies or internal guidelines

In view of the binding nature of the regulations on which the Remuneration Policy is based and the objectives of the Remuneration Policy, the Remuneration Policy will take precedence over any differing provisions of other regulations, other policies or applicable internal directive.

4.6 Miscellaneous

- The Remuneration Policy will be reviewed regularly, and at least once a year, by the Board of Directors to ensure that the systems and mechanisms of internal control and other arrangements applied are consistent. It will also assess whether those principles are suitable for and consistent with the Company's situation and applicable regulations, respectively.
- This evaluation will be carried out under the supervision of the Board of Directors, with the participation of the Remuneration Committee and the Control Functions.
- Where appropriate, appropriate action will be taken promptly to remedy any deficiencies.
- The Remuneration Policy was published. All members of staff thus have access to the general principles governing the Remuneration Policy.
- As part of the SFDR obligations, the general principles of the remuneration policy were also published on a publicly accessible website for interested investors to peruse