

COMPANY STATEMENT OF POLICY

Employee Remuneration

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POLICY

It is the policy of H2O AM to ensure the fair and reasonable remuneration of all employees, in line with their responsibilities and individual performance and conduct.

STATEMENT OF INTENT

It is the stated Policy of the Company that the Company will ensure, so far as is reasonably practicable:

1. Remuneration principles are compliant with all appropriate and applicable regulatory guidelines.
2. Remuneration mechanisms ensure the consistency and competitiveness of each given role.
3. Remuneration mechanisms promote responsible business conduct and fair treatment of clients.
4. Remuneration mechanisms are aligned to, and promote behaviors associated with, the Company's investment philosophy and core values.

ORGANISATION AND CONTROLS

1. The Remuneration Committee is charged with ensuring that remuneration arrangements support the strategic aims of H2O AM, together with the recruitment, motivation and retention of its team; whilst complying with the regulatory and governance bodies.
2. The Remuneration Committee meets on an annual basis to ensure regular review of remuneration mechanisms and practice.
3. The members of the Remuneration Committee are members of the Supervisory Board who do not perform any executive function at H2O AM to ensure broad and objective review.

WORKING PRACTICE

1. H2O AM ensures that, where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or portfolios concerned, and of their risks (including sustainability risks); and the overall results of the management company.
2. When assessing individual performance, financial and non-financial criteria are taken into account.
3. The remuneration policy also promotes risk management and compliance with regards to sustainability risks.
4. H2O AM ensures that fixed and variable components of total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components.
5. Subject to an amount above defined thresholds and for the whole amount, H2O AM ensures that a substantial portion of any variable remuneration component consists of a basket of units or shares of funds managed by H2O AM.
6. The portion of the variable remuneration component invested in the basket of funds will be deferred with equal disbursements over three years.
7. Non-financial remuneration in the form of Learning and Development. All employees are entitled to request financial support for Learning and Development. These requests will be considered on a case by case basis and granted according to whether the business deems the training appropriate. All training opportunities sponsored by the business should enhance individual performance and promote responsible business conduct.