

### Remuneration Policy Statement

For the remuneration policy Aegon Investment Management B.V. (AIM), being part of Aegon N.V. (Aegon Group), is bound to the Aegon N.V. Global Remuneration Framework. This framework is designed in line with relevant laws and regulations, such as the Dutch law on remuneration policy for financial institutions, the Undertakings for the Collective Investment in Transferable Securities Directive (2014/91/EU) (UCITS), Alternative Investment Fund Managers Directive (2011/61/EU) (AIFMD) and Solvency II (2009/138/EC). The framework includes principles and guidelines for a careful, controlled and sustainable remuneration policy, that adheres to the strategic goals and core values of Aegon N.V.

This framework also meets the UCITS and AIFMD requirements for the remuneration policy, including contributing to effective and efficient risk management and not encouraging taking more risks than allowed by the investment policy and fund terms and conditions.

The Aegon N.V. Global Remuneration Framework is reviewed annually against laws and regulations, amended where necessary and presented to the Supervisory Board of Aegon N.V. for approval at least once a year.

The Aegon Asset Management Remuneration Committee "AAM RemCo" then oversees the reward programs and policy, ensuring actions are consistent with sound remuneration principles. Examples of these responsibilities include the review and approval of variable compensation components such as establishing pool indicators, approving indicator results and allocations, reviewing risk assessments and approving individual compensation of senior staff, including Identified Staff.

The remuneration framework is gender neutral and is consistent with the principle of equal pay for equal work or work of equal value.

The remuneration framework is made available in full to staff via the intranet.

### Fixed remuneration

In addition to base pay, other forms of fixed remuneration are provided to AIM employees consisting of a flexible budget (including, among others, holiday and 13<sup>th</sup> month allowance), pension allowance and other secondary employment terms that are customary in the Dutch market and are provided without consideration to performance.

Base salary remunerates the specific scope and responsibilities of the role, reflecting the experience and professional skills of the individual. Base salaries are reviewed annually considering market trends, affordability, performance of the individual ('merit') and/or statutory requirements.

### **Variable remuneration**

A selection of AIM roles are also eligible for variable compensation. For these individuals, variable compensation is an integral part of the total remuneration package and is based on a bonus pool approach. Bonus pool indicators are used to determine the total funds available for distribution to participants. These indicators reflect our commitment to running a sustainable business and include 1, 3 and 5-year investment performance, client satisfaction, financial performance, strategic objectives and Aegon N.V. results. Distribution of the bonus pool is discretionary, based on individual performance against personal objectives.

These business and individual performance indicators may not include more than 50% unadjusted financial performance indicators and must include a minimum of 20% non-financial indicators.

AIM ensures that there is an appropriate balance between fixed and variable components of remuneration, and that the fixed component represents a sufficiently high proportion of overall compensation so that a fully flexible variable compensation program can be enforced. This includes the option of paying zero variable component and incorporates a maximum variable compensation ratio.

Employees who are not eligible for the variable compensation pool can, under strict conditions, be granted a one-time variable award.

### **Risk Management**

The remuneration policy is consistent with and promotes sustainable and sound remuneration practices. In addition to the risk reduction measures indicated elsewhere in this summary, this is achieved through policy inclusions such as:

- Independent control functions: the head of each control function has a second straight-line reporting relationship to the global head of function at Aegon N.V.
- A second-line review is completed by Compliance upon establishing and determining result of all variable compensation pool funding indicators.
- Inclusion of ex ante and ex post assessments which are aimed at the risk alignment and sustainability of business performance. Ex ante and ex post risk assessments may result in a downward adjustment of any variable compensation grant, allocation, pay out or vesting.

The remuneration policy is fully aligned with regulatory requirements including risk mitigation actions such as:

- Employees are prohibited from using personal hedging strategies or remuneration and liability related insurance to avoid remuneration policies.
- AIM does not guarantee variable compensation awards.

For more information on how sustainability risks are integrated in the remuneration framework, we refer to the Statement of Compliance of the Sustainable Finance Disclosure Regulation, which is also available on [aegonam.com](https://aegonam.com).

In addition, there is a separate conflicts of interest policy.

#### **Material Risk Takers / Identified Staff**

AIM conducts an annual review of individuals whose professional activities have a material impact on the risk profiles of AIM. These individuals include senior managers, heads of control functions and other risk takers in the business who have significant influence on the risk profile AIM and/or the funds managed. This selection is reviewed and approved by the RemCo prior to employee notification.

All Identified Staff have additional requirements for individual performance indicators and variable compensation:

- The personal goals of Identified Staff are reviewed upfront on risk management criteria and, where necessary, adjusted.
- A minimum of 40% of variable compensation is required to be deferred over a minimum three-year period, with some roles/individuals required to defer 60% of variable compensation.
- Deferred compensation is paid in instruments, either notionally invested in Aegon Asset Management strategies during the vesting period or awarded in restricted stock units of Aegon N.V.
- Variable compensation awards can be reduced or cancelled following ex-ante and ex-post risk assessments that are executed as part of the annual performance and review cycle.

There are no employees for which the total remuneration is greater than 1 million euro.

The manager does not receive any compensation other than the predetermined management fee, which is a percentage of the net asset value. Therefore, there is no carried interest.

#### **Delegated functions**

In accordance with article 22 (2) (e) of the AIFMD, and article 69 (3) (a) UCITS, the manager is obligated to provide further details of the remuneration policy. This includes external parties to which portfolio management and risk management activities are delegated. In situations of delegation, AIM monitors that the AIFMD and UCITS or equivalent guidelines and restrictions for remuneration are in place.

#### **More information**

More information can be obtained via AIM by contacting [AAMEuropeHR@aegon.com](mailto:AAMEuropeHR@aegon.com). A paper copy will be made available free of charge upon request.