

## RIAM Remuneration Policy

### *Introduction and scope*

This is a reflection of the Remuneration Policy of Robeco Institutional Asset Management BV (hereafter 'RIAM'). The remuneration policy of RIAM applies to all of the Company's employees.

### *Goals of the Remuneration Policy*

The RIAM Remuneration Policy has the following objectives:

- To stimulate employees to act in our clients' best interests and to prevent potential conduct of business and conflict of interest risks, adversely affecting the interests of clients;
- To support effective risk management and avoid employees taking undesirable risks, taking into account the internal risk management framework;
- To ensure a healthy corporate culture, focused on achieving sustainable results in accordance with the long-term objectives of RIAM, its clients and other stakeholders;
- To ensure consistency between the remuneration policy and environmental, social and governance risks and sustainable investment objectives by including these risks in the key performance indicators (KPIs) used for the determination of variable compensation of individual staff members;
- To provide for a market competitive remuneration to retain and attract talent.

### *Responsibility for and application of the policy*

The RIAM Remuneration Policy is determined and applied by and on behalf of RIAM with the approval, where applicable, of the Supervisory Board on the advice of the Nomination & Remuneration Committee (a committee of the Supervisory Board) and, where applicable, the shareholders (Robeco Holding B.V. and Orix Europe Corporation N.V.).

Where considered appropriate the Supervisory Board can request the advice of the Monitoring Committee or individual Monitoring functions in exercising their responsibilities.

### *Fixed remuneration*

#### *Monthly fixed pay*

Each individual employee's monthly fixed pay is determined based on their function and/or responsibility and experience according to the RIAM salary ranges and with reference to the benchmarks of the investment management industry in the relevant region. The fixed remuneration is sufficiently high to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, job experience, the relevant business sector and region.

#### *Temporary allowances*

A temporary allowance may be granted in principle for a period of two years and can be extended, with annual evaluation. The purpose of such an allowance is to ensure market competitiveness, for example, in a scarce labor market (market-driven scarcity allowance), to set up business activities in new countries or markets (new business market allowance) or to secure key staff for a strategic investment capability. Such allowances are solely function and/or responsibility based and are not related to the performance of the individual employee or RIAM as a whole.

## *Variable remuneration*

A variable remuneration budget is established for all RIAM employees as a whole. The budget is set as a percentage of the pre-incentive EBIT of RIAM, determined from year to year. It requires the approval of the Supervisory Board after advice of the Nomination & Remuneration Committee. The variable remuneration pool is established based on the financial results and includes a risk assessment on the total actual variable remuneration pool. In such assessment both financial and non-financial risks are taken into account, consistent with the risk profile of RIAM, the applicable businesses and the underlying client portfolios.

To the extent that the variable remuneration pool allows, each employee's variable remuneration will be determined at the reasonable discretion of Robeco, taking into account the employee's behavior and individual and team and/or the department's performance, based on pre-determined financial and non-financial performance factors (KPIs). Poor performance or unethical or non-compliant behavior will reduce individual awards or can even result in no variable remuneration being awarded at all. Furthermore, the variable remuneration of all RIAM staff is appropriately balanced with the fixed remuneration.

The KPIs for investment professionals are mainly based on the risk-adjusted excess returns over one, three and five years. For sales professionals, the KPIs are mostly related to the net run rate revenue, and client relationship management. The KPIs should not encourage excessive risk-taking. Furthermore, sustainability KPIs are set to ensure decisions are taken in line with the sustainability risk considerations related to investment strategies and also facilitate the implementation of relevant ESG risk-related factors consistent with our sustainability risk policy. The KPIs for support professionals are mainly non-financial and role-specific. KPIs for Control Functions are predominantly (70% or more) function and/or responsibility specific and non-financial in nature. KPIs may not be based on the financial results of the part of the business they oversee in their monitoring role. At least 50% of all employees' KPIs are non-financial.

## *Payment and deferral of variable remuneration and conversion into instruments*

Unless stated otherwise in this paragraph, variable remuneration up to EUR 50,000 is paid in cash immediately after being awarded. If an employee's variable remuneration exceeds EUR 50,000, 60% is paid in cash immediately and the remaining 40% is deferred and converted into instruments, as shown in the table below. These instruments are 'Robeco Cash Appreciation Rights' (R-CARs), the value of which reflects the financial results over a rolling eight-quarter period of all direct or indirect subsidiaries of RIAM and Robeco Holding B.V.

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>
Cash payment	60%			
R-CARs redemption		13.34%	13.33%	13.33%

## *Severance payments*

No severance is paid in case of voluntary resignation of the employee or in case of dismissal of the employee for seriously culpable behavior. Severance payments to daily policy makers as determined in the Wft are capped at 100% of fixed remuneration and no severance shall be paid to daily policy makers in case of dismissal due to a failure of the institution, e.g., in case of a request for state aid or if substantial sanctions are imposed by the regulator.

### *Additional rules for Identified Staff and Heads of Control Functions*

The rules below apply to Heads of Control Functions (Compliance, Risk Management, Internal Audit) and Identified Staff. These rules apply in addition to the existing rules as set out above and will prevail in the event of inconsistencies. Identified Staff is defined as employees who can have a material impact on the risk profile of Robeco and/or the funds it manages. Identified Staff includes:

- members of the governing body, senior management, (senior) portfolio management staff and the heads of the monitoring functions other than control functions;
- other risk-takers as defined in the AIFMD and UCITS V, whose total remuneration places them in the same remuneration bracket as the group described above.

### *Monitoring and Control Staff*

The following rules apply to the fixed and variable remuneration of Monitoring and Control Staff:

- The fixed remuneration is sufficient to guarantee that Robeco can attract qualified and experienced staff.
- The business objectives of Monitoring and Control Staff are predominantly role-specific and non-financial.
- The financial business objectives are not based on the financial results of the part of the business that the employee covers in his or her own monitoring role.
- The appraisal and the related award of remuneration are determined independently of the business they oversee.
- The above rules apply in addition to the rules which apply to the Identified Staff if an employee is considered to be part of both the Monitoring or Control Staff and Identified Staff.
- The remuneration of the Head of Compliance and the Head of Risk <sup>1</sup>falls under the direct supervision of the Nomination & Remuneration Committee.

### *Identified Staff*

The following rules apply to the fixed and variable remuneration of Identified Staff:

- The fixed remuneration is sufficient to guarantee that Robeco can attract qualified and experienced staff.
- Part of the variable remuneration is paid in cash and part of it is deferred and converted into instruments, based on the payment/redemption table below. The threshold of EUR 50,000 does not apply. In the rare event that the amount of variable remuneration is more than twice the amount of fixed remuneration, the percentages between brackets in the table below will apply
- Individual variable remuneration is approved by the Supervisory Board.

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash payment	30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)	
R-CARs redemption		30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)

### *Risk control measures*

Robeco has identified the following risks that must be taken into account in applying its remuneration policy:

- misconduct or a serious error of judgement on the part of employees (such as taking non-permitted risks, violating compliance guidelines or exhibiting behavior that conflicts with the core values) in order to meet business objectives or other objectives
- a considerable deterioration in Robeco's financial result becomes apparent
- a serious violation of the risk management system is committed

<sup>1</sup> There are 3 Heads of Risk Management: Head of Operational Risk, Head of Financial Risk, Head of Investment Restrictions.

- evidence that fraudulent acts have been committed by employees
- behavior that results in considerable losses.

The following risk control measures apply, all of which are monitored by the Supervisory Board.

*Clawback – for all employees*

Robeco may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event that fraud has been committed by the employee, (iii) in the event of serious improper behavior on the part of the employee or serious negligence in the performance of his or her tasks, or (iv) in the event of behavior that has resulted in considerable losses for the organization.

*Ex-post malus – for Identified Staff*

Before paying any part of the deferred remuneration, Robeco may decide, as a form of ex-post risk adjustment, to apply a *malus* on the following grounds:

- misconduct or a serious error of judgement on the part of the employee, such as committing a serious violation of the internal code of conduct, taking non-permitted risks, violating the compliance guidelines or exhibiting behavior that conflicts with the core values
- a considerable deterioration in Robeco's financial results that changes the circumstances as assessed at the time the relevant variable remuneration was awarded
- a serious violation of the risk management system which changes the circumstances as assessed at the time the relevant variable remuneration was awarded
- fraud committed by the relevant employee as a result of which the award of variable remuneration was based on incorrect and misleading information

*Ex-ante test at individual level – for Identified Staff*

Individual variable remuneration for Identified Staff requires the approval of the Management Board, taking into account the advice of the Monitoring Committee<sup>2</sup>. The variable remuneration of Identified staff being Executive Committee members or Head of a Control Function also requires the approval of the Supervisory Board advised by the Nomination & Remuneration Committee.

*Shareholder approval*

In accordance with our governance, the Supervisory Board, advised by the Nomination & Remuneration Committee as well as the shareholders (Robeco Holding B.V. and ORIX Europe Corporation N.V.) gives its approval on the remuneration of the members of the Management Board and high earners.

*Annual audit*

Internal Audit audits the Robeco Remuneration Policy annually, as well as verifying the implementation of possible amendments to it and that remuneration has been in compliance with the policy.

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<sup>2</sup> The Monitoring Committee consist of the Heads of Compliance, Legal, Operational Risk and Human Resources.