

**General principles setting out the remuneration policy applicable
to members of the Board of Directors and salaried staff
of CapitalatWork Foyer Group***

Excerpts

| | |
|---------------------------|---|
| Approved by | The Board of Directors of CapitalatWork Foyer Group |
| Approval date | Approved on 6 March 2019 |
| Date of entry into effect | Effective retroactively from 1 January 2019 |
| Contact | Benoît Dourte |

*** This version takes into account articles 38-5 and 38-6 of the law of April 5th 1993 on the financial sector as amended by the law of 23 July 2015 and 30 May 2018.**

Aim

The aim of the remuneration policy is to attract, retain and motivate employees who are highly qualified in their respective areas of expertise. It is based on sound risk management and aligned to the company's long-term strategy and objectives. It does not encourage excessive risk-taking and draws on other remuneration policies used in the financial industry, in particular the collective labour agreement for the banking sector. Moreover, it ensures that conflict-of-interest requirements are met and strengthens protection for investors.

This remuneration policy is based on recommendations made by the Foyer S.A. Appointment and Remuneration Committee, consisting of four members who are non-executive directors of Foyer S.A.

This policy is not combined with other remuneration policies and it does not encourage the sale of specific products potentially incurring risks for the company.

Scope

The principles set out in this document concern the persons taking material risks listed in Annex 1.

These principles apply to CapitalatWork Foyer Group, hereinafter referred to as "CapitalatWork", and all its subsidiaries, hereinafter referred to as:

- CapitalatWork Belgique
- CapitalatWork The Netherlands
- ImmoatWork
- CapitalatWork Management Company S.A.

Principles

1. General

Fixed and variable remuneration components account for total remuneration.

An appropriate balance between fixed and variable components allows for a flexible policy in terms of variable remuneration, and in particular the possibility for CapitalatWork not to pay variable remuneration.

Total variable remuneration accounts for less than 35% of the total annual remuneration of all staff.

2. Principle of proportionality

The net result generated by own-account investment trading and the underwriting of financial instruments and/or placement of financial instruments on a firm commitment basis accounts for less than 20% of CapitalatWork's total net income before tax.

This is why CapitalatWork wishes to benefit from the application of the proportionality principle referred to in CSSF Circular 11/505 and, in so doing, neutralise the following remuneration policy requirements:

- payment of a proportion of variable remuneration in the form of financial instruments;
- deferral of a proportion of variable remuneration for salaried staff who are not members of the CapitalatWork Executive Committee;
- ex-post risk adjustment;
- the creation of a remuneration committee.

No employees of CapitalatWork or its subsidiaries are in a remuneration bracket higher than €1,000,000.

3. Fixed remuneration

Fixed remuneration is based primarily on the professional experience of the employee, his or her responsibilities under the roles assigned within the company, as well as market practice. Fixed remuneration is specified in the employment contract.

Fixed remuneration accounts for the largest share of total remuneration, allowing for a flexible policy in terms of variable remuneration and in particular the option not to pay variable remuneration to employees.

Fixed remuneration also includes benefits.

4. Variable remuneration

The payment of variable remuneration is based on a combination of:

- the employee's individual performance;
- the performance of the operating unit in question;
- the results of the CapitalatWork Group.

The payment of variable remuneration is not based solely on the sale of specific financial instruments or a category of financial instrument.

It reflects long-term, risk-adjusted performance above the required level for the role of the employee in question. Variable remuneration is not guaranteed and does not encourage excessive risk-taking.

The way variable remuneration is determined, including the method used to calculate it, does not encourage the individuals in question to promote their own interests or those of the company to the detriment of the customer.

The variable remuneration share does not exceed 100% of the fixed remuneration share. It may reach a maximum of 200% on approval of CapitalatWork shareholders.

Variable remuneration is not paid using instruments or methods that facilitate the circumvention of legal requirements.

The total amount represented by variable remuneration does not limit CapitalatWork's ability to strengthen its financial base.

The launch of new products or services and the use of new distribution channels comply with the remuneration policies and practices in force at CapitalatWork and take into account the potential risks incurred by those products, services or channels.

5. Performance assessment

All CapitalatWork staff members are subject to an annual assessment to evaluate their performance in the long term.

All employees are assessed on the basis of qualitative, quantitative and progress-related criteria. Their weighting depends on the role in question and the priorities set.

Assessment of individual performance is based on factors such as qualitative (non-financial) criteria and ongoing projects. These objectives and projects cover periods lasting longer than one year, such that performance is assessed in a multi-annual context.

Qualitative criteria consist of general criteria (development in the role, quality of work, team spirit, sales-mindedness, protection of the customer's interests, compliance with internal procedures, observance of conduct rules, KYC, compliance with regulatory standards, fair treatment of customers, customer satisfaction levels, etc.) and activity-specific criteria (e.g. for a member of management: communication, team management, initiative, anticipation).

These qualitative criteria are included in performance assessment forms.

Performance assessments serve as a basis for determining variable remuneration, if any, and the decision whether or not to increase fixed salary. Assessments are an effective means of identifying any failure by the employees in question to meet qualitative criteria, and then taking the necessary corrective measures.

Measurement of performance, where used as a basis for calculating the variable components of individual or collective remuneration, includes a general adjustment mechanism integrating current and future risks of all types.

The assessment process is as follows:

- a. A written self-assessment of the employee based on pre-defined criteria.
- b. A written assessment by the employee's L+1.
- c. An oral interview with the L+1 who verifies the attainment rate of objectives and progress towards ongoing projects. The L+1 sets new individual objectives for the future.
- d. Individual objectives are reviewed by HR to ensure their compatibility with the strategy of the CapitalatWork Group.

Governance

1. Board of Directors

The Board of Directors of Foyer S.A., the parent company of CapitalatWork:

- establishes and approves the general principles determining the remuneration policy;
- establishes and regularly reviews the specific principles of the remuneration policy applicable to the salaried staff of the CapitalatWork Foyer Group and its subsidiaries;
- receives the results of the annual assessment of remuneration policy implementation carried out by audit functions;
- approves the remuneration of certified executives and Risk Management and Compliance Officers.

The Foyer S.A. Remuneration Committee acts on behalf of the CapitalatWork Foyer Group. It discusses and proposes the variable remuneration payable to executives and Risk Management and Compliance Officers.

2. Implementation and oversight of remuneration policy

CapitalatWork management is responsible for implementing the remuneration policy as defined by the Board of Directors.

The individual responsible for compliance was involved in drawing up the remuneration policy prior to its entry into effect.

Internal audit functions are independent of the operating units they supervise. They are responsible for assessing, once a year, compliance with the remuneration policies and procedures approved by the Board of Directors. They are also responsible for monitoring the remuneration of different categories of employee and the remuneration system as a whole at least once a year.

Where an actual or potential customer is prejudiced by specific aspects of the remuneration policy, the policy will be reviewed and amended to prevent such risks.

HR is responsible for following up the remuneration budget approved by the CapitalatWork Board of Directors.

Annex 1: List of identified individuals

List of identified individuals at CapitalatWork

- Members of the Board of Directors (11 individuals)
- Approved executives and members of the CapitalatWork Executive Committee (7 members) for the following positions:
 - o Chief Executive Officer / Head of Sales & Marketing
 - o Chief Financial Officer / Head of Innovation & Digitalization
 - o Chief Operating Officer
 - o Chief Investment Officer
 - o Head of Risk Management and Compliance / Head of Private Portfolio Management
 - o Head of Estate Planning
 - o Head of HR
- Audit officers (three individuals):
 - o Internal Audit
 - o Chief Compliance Officer
 - o Chief Risk Officer
- Other persons taking material risks (two individuals):
 - o Head of IT
 - o Head of trading room

In accordance with the EBA criteria published in June 2013, the following roles are also considered as held by persons taking material risks based on quantitative criteria, but they are exempt for the reasons cited in paragraph 5.5:

- Sales staff and portfolio manager
- Delegated representatives

List of identified individuals at the Belgian subsidiary

- Manager of the Belgian subsidiary: Sales Officer on the Executive Committee of CapitalatWork Foyer Group (one individual)
- Compliance Officer (one individual)

List of identified individuals at CapitalatWork Management Company:

- Conducting Officers (three individuals)
- Compliance Officer (one individual)

© 2018 CapitalatWork S.A.

Last update:

30 décembre 2018