

Remuneration Summary

Anthos Fund & Asset Management



General

Anthos Fund & Asset Management ('Anthos') has a carefully considered, managed and sustainable remuneration policy that complies with the applicable legal requirements for financial institutions. This policy is designed to avoid and combat undesired and irresponsible incentives in employee remuneration and is the result of a careful risk assessment. The policy is in line with our strategy, our limited risk appetite and our objectives. Thanks to this remuneration policy we are able to attract, motivate and retain talent and to reflect and respond effectively to clients' interests and market developments.

Legal and supervisory framework

The remuneration policy is based in part on the requirements applying to variable remuneration for managers of alternative investment funds, as set out in the Directive on Alternative Investment Fund Managers ('AIFMD') and the European Securities and Markets Authority's Guidelines on sound remuneration policies under the AIFMD ('ESMA Guidelines'). As an AIFM, Anthos is exempt from the requirement to set a maximum for variable remuneration ('bonus ceiling'), as provided for in Article 1:121(1) of the Financial Supervision Act [Wft]. As a financial institution, however, it has to apply the other provisions on remuneration policy in this legislation. These provisions are generally in line with the remuneration rules in the AIFMD.

Scope of the remuneration policy

Our remuneration policy applies to the remuneration of all Anthos employees. It also applies to all forms of remuneration that Anthos pays to its employees.

Governance

In view of the limited size and modest complexity of our organisation, and for reasons of proportionality, we do not have a formal remuneration committee. The amount of variable remuneration payable is determined on the basis of what has been agreed in respect of governance, including in the consultations with the relevant positions, HR, Risk Management, Legal and Compliance.

Employee categories

Anthos divides its employees into four categories:

- Identified Staff in senior management positions (i.e. directors under the Articles of Association and members of the Management Team);
- Identified Staff not in senior management positions (i.e. portfolio managers responsible for the investment policy in one or more investment portfolios and who can materially influence the risk profile of Anthos or its investment funds);
- Identified Staff in a control or monitoring function;
- Other employees.

Remuneration in each employee category

Identified Staff

The total remuneration package for Identified Staff consists of:

- a fixed gross annual salary;
- variable remuneration (where applicable);
- a pension scheme;
- other compensation and benefits.

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The fixed gross annual salaries of Identified Staff are high enough to be considered sufficient remuneration for the professional services provided, taking account of aspects such as the employee's level of education and experience. In some cases, the variable remuneration may be zero. The total remuneration package is subject to regular external checking to ensure that it remains in line with the market and that we can continue to attract and retain talent.

Management

Members of Anthos' Board of Directors and Management Team may be awarded an annual discretionary grant of a variable remuneration if they realise or surpass their predefined targets. The performance criteria are based on quantitative and qualitative targets, which are agreed annually. The remuneration received by board members is fixed and sufficient for all the professional services that these individuals provide for Anthos. Our CEO's remuneration is set by the board chairman of our ultimate shareholder, COFRA Holding AG. The proposal for remuneration of the members of the Anthos board is subject to the prior approval of Anthos' Supervisory Board.

The remuneration of the members of Anthos' Board of Directors and Management Team is consistent with the requirements laid down in the Remuneration policy.

Anthos ensures that the variable remuneration will not result in disproportionate risk-taking.

Identified Staff not in senior management positions

An Incentive Plan, agreed with the portfolio managers of both the alpha-generating and non-alpha-generating investment funds, applies.

Identified Staff in control or monitoring positions

The performance criteria applying to Anthos employees in control or monitoring positions are generally job specific. Where any performance targets are of a financial nature, these targets are not based on the financial results of the department or team that the Anthos employee is responsible for monitoring. The remuneration of Anthos employees in control or monitoring positions is fixed. The fixed remuneration of Anthos employees in such positions is, in itself, sufficient to allow us to recruit and retain sufficient numbers of qualified employees. This remuneration does not depend on the performance of the business units that these individuals monitor.

Other employees

Other Anthos employees' remuneration consists of a gross fixed annual salary, an expense allowance and possibly a company car. Details of any additional compensation and benefits, such as a pension scheme and other forms of remuneration, are set out in the employee handbook. The gross fixed salary may be adjusted each year in response to inflation and/or individual salary increases awarded as a result of the annual performance appraisal. Each year, employees also receive a holiday allowance and a thirteenth month's payment. Depending on their role and performance, some employees may also be eligible for discretionary variable remuneration. Agreements on employees' variable remuneration are individual agreements and are recorded in writing. The board is responsible for awarding variable remuneration. No variable remuneration is paid on an incidental basis, except with the Anthos board's permission.

Remuneration of other employees consists of:

- a fixed gross annual salary;
- variable remuneration (where applicable);
- a pension scheme;
- other compensation and benefits.

In exceptional cases, individual employees may receive a market-related bonus. Each year, a limited number of employees are eligible for discretionary variable remuneration, amounting to a capped percentage of their gross fixed annual salary, if they achieve or exceed their annual objectives. The board determines the extent of any reductions in such remuneration. Variable remuneration paid to other Anthos employees is paid fully, directly and unconditionally in cash.

Performance criteria

In the case of all our employees, any variable remuneration payable is performance-based. Appraisals of individual performance take financial and non-financial criteria into account; non-financial criteria must account for at least 50% of the appraisal. Wherever possible, any financial criteria applied will be relevant to the position held by the individual at Anthos. However, it is also possible for all the criteria to be non-financial criteria.

We consider the following non-financial criteria:

- Contribution towards achieving strategic goals;
- Implementing responsible investing policy, contribution towards sustainability-related measures;
- Performing substantive tasks that go beyond what is considered good performance;
- Contributing to preserving and improving client satisfaction;
- Complying with risk management policy;
- Integrity;
- Complying with internal and external rules;
- Nature and extent of operational incidents;
- Collaborating with other people and business units and motivating staff;
- Other.

Performance-related objectives do not include any incentives that would encourage staff to take irresponsible risks. The board decides, during the annual performance management cycle, whether to grant any variable remuneration. The variable remuneration proposed by managers for Identified Staff is discussed by the Anthos board, with account being taken both of the individual and of the need to ensure an overall balance.

Ex-post and ex-ante risk analysis

When the performance of Identified Staff is assessed for the purpose of calculating variable remuneration, an adjustment may be made to take account of current and future risks. Three months before deferred variable remuneration becomes unconditional, the Head of Risk Management conducts an ex-post risk analysis. This takes account of the actual outcomes of risks taken by the Identified Staff and reassesses the objectives achieved. The results of this analysis provide input for applying a possible fairness test and for deducting any amounts ('clawback') from the conditional payment awarded. The board may adjust the amounts payable, based on an ex-ante risk analysis carried out by the Head of Risk Management before the variable remuneration is paid. This analysis will take account of advice by HR, which is given after receiving advice from Risk Management, Compliance and Internal Audit. The process is monitored by HR. A representative of HR will be involved in the discussions with Anthos board members.