Key elements of the Remuneration Policy of Bank Nagelmackers

The Remuneration Policy of Bank Nagelmackers SA/NV has been established in compliance with the rules and regulations covering remuneration at credit institutions and applies to all staff categories. Specific provisions of the policy apply to **different groups** of staff based on their role and level of responsibility:

- Group 1: non-executive and independent directors;
- Group 2: members of the Executive Committee;
- Group 3: staff whose professional activities have a material impact on the institution's risk profile and independent control functions and staff whose total remuneration exceed the thresholds set out in the European Commission Delegated Regulation 2021/923;
- Group 4: other managers;
- Group 5: back office functions;
- Group 6: commercial functions (if not included in the previous groups).

Staff of categories 1, 2 and 3 are defined together as the "**Identified Staff**".

The policy aims to reward performance while maintaining efficient **risk management, sustainability considerations, and long-term interest**. The Bank aims to incentivize long-term performance, integrating sustainability and environmental aspects, and considering the interests of clients and stakeholders. Compensation schemes shall not encourage excessive risks relating to sustainability, be compatible with the Bank's clients' interests, and not include pay for failure. All remuneration practices shall comply with the Bank's compliance rules and relevant legislation.

The Board of Directors of the Bank is responsible for maintaining the policy, as well as overseeing its implementation. In particular, the Board shall determine and oversee the remuneration of the Executive Committee members (i.e. group 2).

The policy is **gender-neutral** and respects the principle of equal pay for male and female workers for equal work or work of equal value.

The **performance** criteria for variable remuneration is based on the assessment of the individual and the business unit's performance, the bank's overall results, and existing and future risks. The criteria are set to not incentivize excessive risk-taking or mis-selling of products. The variable remuneration is dependent on viable and risk-adjusted returns and performance exceeding the performance described in the function profile.

Regarding **pay-out**, a part of the variable remuneration, amounting to at least 50% (and 60% for amounts equal to or greater than EUR 200,000) in one calendar year, must be deferred over four years if it exceeds EUR 50,000. The first deferred portion must not vest sooner than 12 months after the start of the deferral period and not more frequently than on a yearly basis in case of pro-rata vesting.

The bank reserves the right to reduce variable remuneration that is not yet obtained or granted but deferred (**malus**) and reclaim up to 100% of the net amount of the already paid portion of the variable remuneration (**clawback**) within four years in cases of fraud or other conduct with intent or severe negligence of the identified staff member. Such conduct may include participation or responsibility for practices that result in significant losses of the bank, non-compliance with applicable standards of expertise and professional integrity, participation in a special mechanism resulting in tax fraud by third parties, misconduct or serious errors by the staff member, significant and unexpected downturn in the bank's or business unit's financial performance, failure of risk management, critical level findings by the regulator, significant decrease in the bank's or business unit's economic or regulatory capital base, or regulatory sanctions where the conduct of the identified staff member contributed to the sanction. The procedure in such cases involves an analysis by the Risk, Compliance, and Audit functions. The final decision is the responsibility of the Board of Directors.

Identified Staff members are prohibited from entering into transactions that enable the transfer of downside risks of Variable Remuneration to another party through **hedging** or certain types of insurance.

Specific rules are applicable to the different groups:

For **group 1**: non-executive directors only receive a fixed remuneration, as well as the refund of certain reasonable costs.

For **group 2**: members of the Executive Committee will be self-employed.

For **groups 3 and 4**: for the other members of the identified staff and the managers, the remuneration is determined based on the achievement of their objectives. Fixed remuneration is within a scale based on regular salary studies within the banking sector. Part of the variable remuneration depends on the bank's results, and the other part depends on individual performance, which is subject to a formal annual performance appraisal based on agreed objectives, level of competence, and adherence to the bank's values.

For **group 5**: with regard to the back-office functions and staff, the fixed remuneration is situated within the scale approved by the Executive Committee on the basis of regular salary studies within the banking sector. With regard to the executive staff, the fixed remuneration is determined according to the experience-based sliding pay scales that are applicable within the Joint Committee 310.

For **group 6**: the remuneration policy encourages commercial functions to act in the best interest of the client, avoid churning, avoid conflicts of interest, and select the best products and services for the client.

Quantitative targets (80% weight) for client-facing advisors' variable Remuneration include a balanced combination of factors such as customer growth, net growth of customer portfolios. Qualitative elements (20% weight) like client satisfaction survey results, participation in training days, and adherence to MiFID regulations are also integrated.

Variable Remuneration is linear (not progressive) and equitable across different investment products. Awarding Variable Remuneration is at the discretion of the Executive Committee and not a contractual obligation. The criteria for Variable Remuneration are pre-determined by the Executive Committee annually, in consultation with HR and Compliance functions. Variable Remuneration is capped at 50% of the Fixed Remuneration. If Variable Remuneration was based on false information or unethical activities, the bank can withhold payment and recover previously paid amounts.

The Remuneration Policy is regularly reviewed.