

Assenagon Guide

Remuneration Policy

1. Introduction

The remuneration system used in the Assenagon Group (Assenagon Asset Management S.A. and Assenagon GmbH) is based on the corporate strategy and contributes to achieving business objectives, rewarding correct behaviour, creating added value for shareholders and investors, and meeting the applicable supervisory recommendations. The Assenagon Group explicitly encourages its employees to actively and thoroughly consider sustainability and ESG-related criteria on an ongoing basis not only in investment management but also in their daily business and social behaviour norms. Consequently, these will also form an integral part of the overall financial reward assessment. Taking excessive risks is not rewarded but rather strongly discouraged. The remuneration system is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds that Assenagon manages. The remuneration system is in line with the business strategy, objectives, values and interests of Assenagon, the funds that it manages and of the investors of the funds and includes measures to avoid conflict of interests. The remuneration system also helps to ensure that employees are offered a secure job in a sustainable, growth-oriented company with a stable working environment. Variable remuneration can therefore only be granted if it can be borne by the financial situation of the Assenagon Group as a whole. A weak or negative financial result for Assenagon generally means that all variable remuneration is suspended.

The objectives of the remuneration structure are based on the following principles:

- Emphasising the long-term and strategic corporate objectives
- Maximising the performance of staff and the company
- Gaining and maintaining the best employee potential
- A simple and transparent remuneration structure
- Remuneration based on the individual performance of staff members, the contributions of the business areas to earnings and the performance of the company as a whole
- Different areas of activity and responsibility taken into account
- Possibility of using variable components of remuneration in the event of a company profit
- Meeting highest business and social behavioural and ethical norms
- Explicitly considering and valuing sustainability and ESG-related achievements

These remuneration principles form the basis for compliance with supervisory requirements and the achievement of a balanced remuneration structure. Assenagon not only follows these principles in order to protect the interests of employees, the company and investors alike, but also to motivate its staff to act at all times in the interests of Assenagon and to give their best performance. Employees should have the clear prospect of participating in the long-term success of the company.

The remuneration system is applied accordingly in all Assenagon Group companies. These remuneration principles also apply to delegates to whom investment management services are outsourced in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities, based on a proportionality assessment in line with the applicable supervisory requirements. The principles of the remuneration system are reviewed at least once a year.

The Board of Directors comprise the Remuneration Committee of Assenagon Asset Management S.A. In the other Assenagon Group companies the management comprises the Remuneration Committee. These bodies decide the principles and implementation of the remuneration system and reserve the right to adapt it to prevailing market and business circumstances.

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2. Supervisory requirements

The principles of the remuneration system are based on the applicable supervisory requirements, such as the Law of 12 July 2013 on alternative investment fund managers, the Law of 17 December 2010 on undertakings for collective investment, and the ESMA Guidelines 2016/575 and 2016/579 on sound remuneration policies under the UCITS Directive and AIFMD.

3. Rules for all staff

Components of remuneration

Employees at Assenagon are primarily remunerated through fixed remuneration (salary plus benefit payments).

In the event of a positive company result, additional variable components of remuneration may be paid by the company as voluntary compensation. In this case, fixed and variable remuneration must be commensurate with each other.

Fixed remuneration

Employees receive fixed cash-based remuneration, which is based on national and international market standards for the sector and on the qualifications and experience of the relevant employee; this also enables the company to attract and retain a very high standard of staff. Fixed remuneration is paid in twelve monthly payments.

The salary level and structure are subject to a review by the Remuneration Committee once a year, which takes into account both the labour market situation and the prevailing competitive environment.

Legally prescribed adjustments to remuneration in line with developments of indices are also taken into account where applicable.

Benefits

In addition to their fixed remuneration, employees receive a monthly payment into a private pension scheme. No further benefits are paid.

Performance-based variable remuneration

Variable remuneration represents a voluntary payment by the company in all cases. It is always based on a combination of the company result, the contributions of the business areas and the individual performance of the employee. Variable remuneration can only be granted if it can be borne by the financial situation of the Assenagon Group as a whole. A weak or negative financial result for Assenagon generally means that all variable remuneration is suspended. Variable remuneration is also value-oriented and thus dependent on compliance with the company's values and code of conduct.

The principles of the remuneration system ensure that:

- Where bonus payments are made, the employee's total remuneration maintains a balanced ratio of variable and fixed payments, with the components and their amounts varying in accordance with the employee and their position.
- Only in exceptional cases may guaranteed bonuses be paid for the appointment of new staff with existing employment contracts.
- Variable remuneration for employees is an effective incentive to conduct business in the interests of the company without creating a significant dependence on variable remuneration.

In the event that variable remuneration is paid on the basis of a result that was not achieved in compliance with the applicable risk management requirements, or on the basis of false information, the company retains the right to demand repayment of this remuneration from the employee.