

Value Square Remuneration Policy

General remuneration principles

The setting of remuneration takes market practice, competitiveness, risks, the long-term objectives of Value Square and its stakeholders, and the continuously changing regulations into account.

The remuneration policy of Value Square takes into account the UCITS, AIFMD, MiFID and SFDR regulations due to the scope, nature and complexity of its business activities. In compliance with the UCITS-directive, there is a separate remuneration policy for the Board of Directors of Value Square Fund, a self-managed UCITS fund.

Management at Value Square is responsible for ensuring that the processes and employees within Value Square are following legal requirements regarding remuneration principles prescribed by UCITS, AIFMD, MiFID and SFDR.

The most relevant elements of Value Square's Remuneration Policy will be published in the Annual Report of the company.

This Remuneration Policy is part of the Governance Memorandum and it is evaluated every year by the Executive Committee (Directiecomité) as part of the Annual report on Internal Control (Jaarlijkse Verslaggeving Interne Controle). The Board of Directors also evaluates the Remuneration Policy once a year.

Scope of this policy

This remuneration policy is applicable to:

- Key Identified Staff (KIS)
- Employees
- Agents
- Directors

Main principles

Fixed remuneration is mainly determined on the basis of the function of the employee, reflecting responsibility, job complexity and professional experience.

Value Square's compensation system is structured in such a way that the interests of all stakeholders are closely aligned and is designed to motivate employees at all levels to achieve shared and individual objectives. Value Square's policy is designed so as not to create a conflict of interest or incentive which may lead relevant persons to favor their own interests above Value Square's interests to the potential detriment of a client.

The structure of employee remuneration at Value Square is based on a division of global compensation into fixed and variable components.

The fixed component comprises of the base pay which is a non-deferred cash compensation; the variable component includes monetary (cash bonus – or short term options – Belfius warrants, NRVV) and non-monetary (Value Fund shares if possible, fringe benefits, other) elements.

The variable remuneration is based on the performance of Value Square's overall results and on the individual's results.

The principles of the variable remuneration are as follows:

- Targets involve not only quantitative but also appropriate qualitative elements such as compliance with legislation and internal guidelines, fair treatment of clients and quality of service
- Strong performance and contribution to long-term financial success;
- Variable remuneration cannot induce risk-taking in excess.
- No guaranteed entitlement to variable compensation;
- Appropriate balance between fixed and variable remuneration components with an absolute maximum of 12 times fixed monthly wage for the variable component;
- Significant part of variable compensation in Value Square Fund shares instead of cash if legally, fiscally and operationally possible;
- Blocking period of bonus shares (deferred payment) for KIS
- Long-term Compensation - Reward for long-term risk-adjusted performance
- Actions to be taken in case of fraudulent activity

Deferral

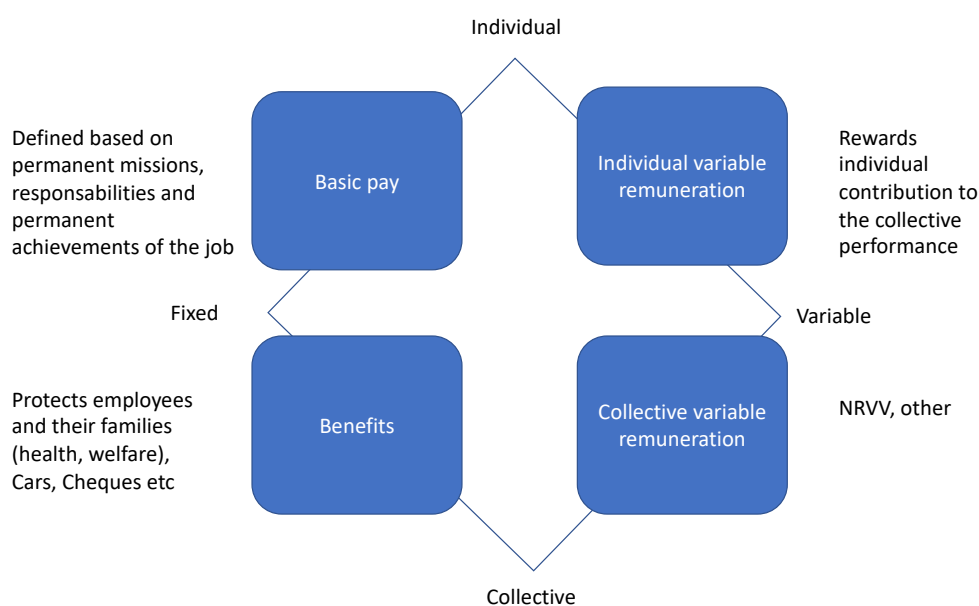
The amount of the bonus above 20.000 EUR or two months' wages, whichever is lowest, is deferred over a 3-year period and paid only provided that the employee meets performance conditions and does not take any excessive risks over the period. The deferral scale depends on belonging or not to the 'identified staff' category (AIFM or UCITS) and complies with the applicable regulation. (see later)

Control Functions

Additionally, the following general remuneration principles apply to Control Functions (Risk/Compliance/Legal):

1. The level of fixed remuneration is sufficiently high to ensure that qualified and experienced Colleagues can be hired and retained;
2. As far as the ratio between fixed remuneration and variable remuneration is concerned, a balance in line with the market practices between fixed and variable remuneration is looked for (maximum variable remuneration of 3 month's wages for control functions);
3. Variable remuneration is based on specific objectives related to the performance of functions, which include qualitative criteria, which are not based on the financial performance of the areas of activities and business levels that they control directly provided that is compatible with the financial situation of the company in general.

Structure of remuneration



Key Identified Staff (KIS)

Specific rules exist for Key Identified Staff:

- Senior Sales
- Fund managers
- Management

The performance-based variable remuneration of Key Identified Staff is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. The rules that apply to the variable remuneration of Key Identified Staff, include:

- the amount of variable remuneration above 20.000 EUR or two months' wages, whichever is lowest, is deferred over a 3-year period and is awarded in non-cash instruments
- no advance payments are made in relation to the variable component and risk adjustment measures are put in place.
- for variable remuneration of KIS, 10% is subject to the achievement of sustainable (ESG) targets that have been agreed beforehand. The remaining variable component is realised through the achievement of individual objectives, including quantitative and qualitative, financial and non-financial elements, with a focus on preserving current value as well as creating future value and without incentivising excessive risk taking or mis-selling of products.
- retention payments are permitted only in exceptional circumstances e.g. for retention of Key Identified Staff on risk and/or value preservation grounds upon decision of the Board of Value Square.
- All employees and management coming under the 'identified staff' category are monitored individually by the control functions for risky behavior. This monitoring is periodically reviewed by the Risk and Compliance Committee. The Committee's recommendation is forwarded to the Board ahead of the remuneration campaign in order to be taken into account for both the new awards and the vesting of the deferred bonus tranches.

Risk adjustments

Variable remuneration is subject to ex-ante and ex-post risk adjustments.

Ex-ante risk adjustment is realised through qualitative and quantitative risk-adjusted performance measurements. A Risk Gateway is installed as a quantitative risk adjustment measure. It comprises a number of capital (Corep Own Funds requirements) and liquidity (e.g. Value Square should permanently have enough liquidity (cash and sufficiently liquid investment instruments) to pay for two years expenses) parameters that have to be met before the variable remuneration component may be awarded. The parameters are set each year by the Board of Value Square. If one or more of these parameters are not met, the

variable remuneration component will not be awarded for the relevant performance year and the deferred amounts relating to previous years will not vest and will be lost for that year.

If the risk gateway is passed, the variable remuneration component is subject to quantitative risk adjustment measures such as a risk-adjusted profit to impact the size of bonus pools and individual awards and a performance appraisal procedure on individual level which includes risk-related objectives, that can be both qualitative and quantitative and that prohibit excessive risk-taking.

Variable compensation is also subject to ex-post risk adjustment measures. Ex-post risk adjustment operates either by reducing deferred but unvested amounts (malus) or by reclaiming deferred amounts already vested (claw back).

Action can be taken by decision of the Board regarding payment of deferred amounts that still have to be vested (malus arrangement), when:

- there is evidence of misconduct or serious error on the part of the employee, for example, a violation of the code of conduct or other internal rules, including those leading to regulatory sanctions, particularly in relation to risk;
- there is a deterioration of at least 50% in the net result of Value Square in the year preceding the year of vesting compared to the year of granting;
- there is a negative net result or negative risk-adjusted profit of Value Square in the year preceding the year of vesting.

Variable remuneration already vested will exceptionally be clawed back when there is:

- evidence of fraud or participation in a special mechanism in order to or with the consequence of promoting fiscal fraud by a third party;
- (use of) misleading information.

Variable remuneration does not take sustainability risks into account.

Performance management

The variable remuneration is based on an annual performance measurement process which is determined by the collective performance of Value Square as well as by the individual performance of the employee.

The measurement of the individual performance of the employee is determined by a “Performance Management Process”. This process consists of:

- business objectives (set based on quantitative and qualitative objectives);
- behavioral competencies (derived from the corporate strategy and core capabilities and defined by executive committee);
- compliance & Risk objective.

Remuneration procedure / Governance

As long as Value Square does not have a remuneration committee, the Board approves the remuneration of the ExCo members of Value square as well as the (heads of) control functions. On an annual basis, Value Square's Board of Directors approves the variable remuneration performed at Value Square.

Level of bonus, bonus pool.

Concerning individual variable remuneration, this is only awarded (except in the case of a recruitment) based on the contribution to performance as assessed by the manager in accordance with the following principles:

- The total variable remuneration pool is determined as a percentage of gross operating income so as to calibrate the amounts paid out according to the results achieved by Value Square. This pool is validated by the Board.
- the bonus pools for the various departments are defined following a Top/Down process to determine the contribution of each department to the overall performance.
- Individual variable remuneration awards are discretionary, based on an assessment of the individual's performance by managers on the basis of : (i) Objective criteria, both quantitative and qualitative incorporating, depending on the function, an appropriate short to long term time scale (ii) Compliance with risk limits and the client's interests

Criteria taken into account to determine the bonus depending on the position

Position	Objective	Quantitative criteria	Qualitative criteria
Investment management	Risk-adjusted performance	<ul style="list-style-type: none"> • Trading losses • Gross/net performance of the funds over 1 and 3 years • Competitive ranking • Net inflows / Successful requests for proposals, mandates 	<ul style="list-style-type: none"> • Compliance with risk, compliance and legal rules • Quality of management • Innovation/product development • Collaboration/Sharing of best practices • Commercial engagement • ESG
Sales	Net inflows and profitability, consideration	<ul style="list-style-type: none"> • Net inflows (achievement of objectives); gross inflows • Trading losses 	<ul style="list-style-type: none"> • Compliance with risk, compliance and legal rules • Securing/developing the business • Client satisfaction • ESG

	n of client's interests	<ul style="list-style-type: none"> Profitability of inflows Market share 	<ul style="list-style-type: none"> Cross-functional approach and sharing of best practices Entrepreneurial spirit
Control	Project management and achievement of own targets, regardless of the results of the business controlled	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Management/optimization of expenses 	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Quality of controls Compliance with regulations and consideration of clients' interests Quality of management Collaboration/Sharing of best practices ESG
Support	Project management and achievement of own targets	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Management/optimization of expenses 	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Quality of client servicing and support to all staff, improvement of efficiency, contribution to its development ESG Quality of management Collaboration/Sharing of practices