Remuneration Policy

Santander Asset Management Luxembourg

Contents

Remuneration Policy 1

Santander Asset Management Luxembourg 1

1. SCOPE & PURPOSE 4

1.1 Purpose of the remuneration policy 4

1.2 Scope of the remuneration policy 4

1.3 Proportionality principle 5

2. IDENTIFICATION OF MATERIAL RISK TAKERS 5

2.1 General principle and Identified staff 5

3. REMUNERATION 6

3.1 Remuneration strategy 6

3.2 Remuneration structure 7

3.3 Gender Equality & ESG Considerations 7

3.4 Fixed remuneration 7

3.4.1 Specific provision for Members of the Boards and Control Functions 8

3.5 Variable remuneration 8

3.5.1 General principle 8

3.5.2 Bonus pool determination 9

3.5.3 Performance evaluation 10

3.6 Remuneration limitations 10

3.6.1 Guaranteed variable remuneration 10

3.6.2 Personal hedging strategies 11

3.6.3 Compensation or buy out from contracts in previous employment 11

3.6.4 Severance payment 11

3.6.5 Discretionary pension benefits 11

3.6.6 Ratio between fixed and variable remuneration 11

3.6.7 Methods of payment 11

4. GOVERNANCE 11

4.1 Board of Directors 12

4.2 Remuneration Committee 12

4.3 Senior Management 12

4.4 Control Functions 12

4.4.1 Role & responsibilities 12

4.4.2 Remuneration 13

4.5 Human Resources (“HR”) 13

4.6 Delegated activities 13

4.7 Policy review 14

5. DISCLOSURE 14

5.1 Internal disclosure 14

5.2 External disclosure 14

CONTROL OF THE DOCUMENT 15

APPENDIX I 16

APPENDIX II 1

1. SCOPE & PURPOSE

1.1 Purpose of the remuneration policy

Santander Asset Management Luxembourg S.A. ("**SAMLUX**" or "**the Company**") has established a remuneration policy (the "**Policy**") in order to ensure compliance with the European regulation for UCITS V as transposed into national law[1].

The purpose of this remuneration policy is to set out the basic principles of the Company's remuneration structure and its different components, including its governance and control processes, to ensure that the remuneration strategy approved by the Board is implemented in accordance with the Company strategy and the applicable European and national regulations.

This Policy shall be read together with the Santander Group Remuneration Policy and the Santander Asset Management Global Remuneration Policy, as applicable from time to time.

The aim of the Company is to establish a sound and effective risk management culture, driving forward the Company's strategy and the accomplishment of its mission, vision and values, including the necessary provisions to mitigate and solve conflicts of interest generated by the remuneration policies and practices.

1.2 Scope of the remuneration policy

SAMLUX sets out in this internal policy the remuneration policies and practices that the Company applies to its employees, with specific provisions on variable remuneration applicable to the remuneration of persons who are members of the administrative and management bodies as well as those categories of staff whose professional activities have a material impact on the risk profile of financial undertakings ("**MRTs**" or "**Identified Staff**"). For the sake of clarity and the avoidance of any doubt, where some employees or categories of staff of SAMLUX would perform services subject to different sectoral remuneration principles (e.g., CRD), as defined under section 8 of the ESMA Guidelines, and provided such members of staff are identified as MRTs, SAMLUX shall assess which remuneration principles shall be applicable based on either:

i. The activities carried out and on a pro rata basis, to the extent that it is possible to single out an individual activity; or
ii. Applying the sectoral remuneration principles which are deemed more effective for achieving the outcomes of discouraging inappropriate risk taking and aligning the interest of the relevant individuals with those of the investors in the funds or other portfolios they manage.

For the purpose of SAMLUX's Policy, practices and procedures, the below regulatory and legal framework (the "**Legal framework**") shall be taken into account:

- Directive 2014/91/EU relating to undertakings for collective investment in transferable securities ("**UCITS V**") as transposed into national law, i.e., Law of 10th May 2016;
- CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector;
- CSSF circular 18/698 on the authorization and organization of Luxembourg investment fund managers; and
- The ESMA Guidelines on sound remuneration policies, under the UCITS Directive (ESMA/2016/575) ("ESMA Guidelines"); and The Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended.

Finally, the Policy is applicable to all individuals performing activities captured by the UCITS regulations (as detailed above). No circumvention of the rules set out in this policy are allowed, whether such activities are carried out within SAMLUX or delegated to a third party. When delegating investment management functions (including risk management) SAMLUX ensures that:

- The third party to which investment management activities have been delegated are subject to

regulatory requirements on remuneration that are equally effective as those defined above[2]; or

- Appropriate contractual arrangements are put in place with the third party to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in this Policy; these contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of SAMLUX.

1.3 Proportionality principle

When taking measures to comply with the remuneration principles, SAMLUX may comply in a way and to the extent that is appropriate to its size, internal organization and the nature, scope and complexity of its activities, hence may meet the requirements of the Legal framework in a simpler or less burdensome way (the "**Proportionality principle**").

Subsequently, in line with the Legal framework and notably CSSF Circular 18/698, SAMLUX decided to conduct a self-assessment in order to determine its eligibility as to the application of the proportionality principle (*see Appendix I*).

Consequently, and in line with Legal framework, SAMLUX chooses to apply the proportionality principle at institutional level and - as a general rule - decides to neutralize the following requirements in a proportionate manner:

- Payout of part of the variable remuneration in instruments;
- Retention policy;
- Deferral of part of the variable remuneration; and
- Ex post incorporation of risk (including malus / clawback provision);

2. IDENTIFICATION OF MATERIAL RISK TAKERS

2.1 General principle and Identified staff

According to Legal framework, as defined above, SAMLUX has to identify individuals who have a material impact on its risk profile (i.e., Identified Staff or MRTs), taking into account both (i) qualitative and (ii) quantitative criteria set out in the Legal framework and, where appropriate, internal criteria set by Santander Group.

Regarding MRT identification at the Company level, the main criterion to identify employees is to assess their impact on the Company's and funds under management's risk profile. The identification of MRTs is based on a thorough assessment of roles, responsibilities and actual mandates.

The identification of SAMLUX MRTs is conducted with due regard to the criteria set out under UCITS V, as transposed into national law, and ESMA Guidelines on sound remuneration policies. In particular, unless it is shown that they have no material impact on the Company's and funds under management's risk profile, the following qualitative and quantitative criteria should be considered:

- Qualitative criteria:

  - All members of the Board of Directors, both with and without executive functions.
  - Senior Management or Conducting Officers.
  - Staff responsible for heading the investment management, administration, marketing and human resources.
  - Control functions (typically Head of Risk & Compliance, Head of Finance & Head of Legal).
  - Other risk takers.

[1] The law of 10th May 2016
[2] It means a third party with whom the delegation arrangement is concluded is subject to the remuneration rules under either Directive 2019/878/EU (CRD V) or Directive 2011/61/EU (AIFMD) or the staff of the third party who are identified staff is subject to the CRD V or AIFMD rules.

- Quantitative criteria

  - Employees whose total remuneration falls into the remuneration bracket of senior managers and risk takers.

SAMLUX MRT identification process is a continuous, regular and ongoing process integrated in day-to-day operations and executed whenever necessary, such as when individuals are hired, have a salary review, are promoted or are affected by a structure change.

Subsequently, SAMLUX identification of MRTs is reviewed and updated by the HR team with the support of the Control Functions and is approved on a yearly basis by SAMLUX Board of Directors ("**BoD**").

3. REMUNERATION

3.1 Remuneration strategy

The Company considers a sound remuneration policy is an essential business tool to attract, retain and motivate the best professionals and align their interests with the long-term interests of the Company and the funds under its management.

Remuneration in SAMLUX is aligned with Santander Asset Management Group's remuneration policy and Santander Group remuneration policy, based on the principles of competitiveness and fairness.

The Company's remuneration strategy will encourage the alignment of the risks taken by its employees with those of the funds it manages, the investors of such funds and the Company itself; in particular, the remuneration strategy takes into consideration the need to align risks in terms of risk management and exposure to risk.

The five pillars on which the remuneration strategy is founded are:

1. **Sound and effective risk management**

   Remuneration will be compatible with sound and effective risk management, rewarding appropriate risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds under management.

   Employees in control functions will be independent from the business units they control, and will be rewarded for the achievement of specific goals related to their control functions.

2. **Long-term sustainability**

   Remuneration will be compatible with the Company's long term business strategy, its values, goals and interests, and will include provisions to avoid conflicts of interest. These goals will be specific, measurable and aligned with long term shareholders' interests.

3. **Competitiveness and fairness**

   Remuneration will be consistent with the powers, tasks, expertise and responsibilities of each director, manager and employee, applying the required balance between market competitiveness and internal equity.

4. **Adequate ratio between fixed and variable pay**

   The ratio of variable to fixed pay will not be disproportionate, in order to avoid inducing an excessive risk assumption.

5. **Flexibility and transparency**
   This remuneration policy will be communicated and made available to all employees in the Company. The BoD will be responsible for preparing, submitting for approval and making available all reports on remuneration policies, practices and data that are required by regulations, supervisors and shareholders.

3.2 Remuneration structure

Remuneration can be either fixed or variable; there is no other category of remuneration. Subsequently, SAMLUX employees will benefit from the following remuneration:

- Fixed remuneration including pension and benefits – if any; and
- Variable remuneration.

The remuneration of staff is structured in a way to align with the Company's business strategy, objectives, values and its long-term interests, such as sustainable growth prospects and shall be consistent with the principles relating to the protection of clients and investors in the course of services provided.

The remuneration awarded to staff members does not exceed market standards for comparable financial institutions without reason. The above-mentioned components are used to achieve a market competitive total remuneration with a fair mix of fixed and variable compensation, with the objective of encouraging long-term results, growing competencies, strict compliance and long-term performance of the employee.

All compensation schemes should take into account corporate governance codes and the applicable labour laws in force in each territory.

Employees' remuneration packages will be reviewed once a year in connection with the employees' performance reviews to assess whether any adjustments to remuneration packages should be made.

By reference to the application of proportionality principle (see section 1.3), SAMLUX intends to pay both fixed and variable remuneration in cash.

3.3 Gender Equality & ESG Considerations

SAMLUX will remunerate all staff members equally for equal work or work of equal value, irrespective of their gender. SAMLUX will have processes in place to monitor any equal pay risk and make interventions and adjustments to operate a gender-neutral remuneration policy. SAMLUX will put processes in place to monitor the development of the gender pay gap with a view to reducing this gap over time. Where material differences between the average pay of staff of different genders or members of the executive leadership team of different genders exist, SAMLUX will document the main reasons and take appropriate action where relevant.

The remuneration packages provided by SAMLUX shall be aligned with its ESG objectives/limits, linking variable remuneration of the key population designated by SAMLUX to the avoidance of excessive risk-taking and "green-washing" practices.

3.4 Fixed remuneration

Fixed remuneration is a form of compensation unrelated to performance measures on an individual as well as on a collective basis. The fixed remuneration is designed to attract, retain and motivate the best professionals and align their interests with the long-term interests of the Company and the funds under its management.

SAMLUX adheres to the fixed remuneration principles considered at the SAM Global and Santander Group level, establishing that fixed remuneration should represent a significant proportion of total compensation.

Fixed remuneration may be mainly comprised of the following concepts considered at the SAM Global and Santander Group level:

- **Gross annual salary:** the gross annual salary shall be set at an amount that is consistent with the level of responsibility of the individual and such that it favours retention and attracts the best talent. It may be revised annually, without prejudice of other reviews, in the context of legal and regulatory requirements, market practice and group and business performance.

- **International mobility payments:** allowances may be made to compensate individuals for relocating to international locations for employment related reasons. Such allowances will constitute fixed remuneration and may be paid as a lump sum amount. The Group's global human resources function will develop the international mobility policy, detailing the remuneration components relating to international mobility.

- **Allowances:** other allowances can be awarded based on market context, local policies, practices and regulations.

- **Pensions and other benefits:** All pension arrangements should be defined contribution plans, to mitigate risks associated with alternative arrangements. Existing defined benefit plans should be replaced with defined contribution arrangements with a lower risk profile where possible. When contributions to the plan are for material risk takers and are linked to the achievement of individual or collective results, they will be considered discretionary pension benefits (variable remuneration).

3.4.1 Specific provision for Members of the Boards and Control Functions

Independent members of the Board of Directors may receive remuneration for the performance of their duties as Board members, in accordance with the applicable governance and remuneration arrangements. Senior Managers performing Control Functions may receive both fixed and variable remuneration. Their remuneration structure shall be designed to preserve their independence and shall not be linked to the performance of the business areas they oversee.

The remuneration level of staff in the control functions is sufficient to employ qualified and experienced personnel and does not compromise their independence in the performance of their role.

3.5 Variable remuneration

3.5.1 General principle

Variable remuneration (or Bonus), unlike fixed remuneration, is a form of compensation tied to performance measures on an individual basis as well as on a collective basis in accordance with predefined qualitative and quantitative objectives, including financial and non-financial KPIs.

Indeed, variable remuneration consists of the portion of total remuneration received in cash and is based on the performance of (i) the Group, (ii) the funds, (iii) the Business Unit and (iv) the staff, determined on quantitative and qualitative and non-financial and financial performance criteria. In particular, it enables the interests of the employee to be aligned with those of the Company and the funds under management.

While the performance assessment of the investment population considers both financial and non-financial criteria, the evaluation of the non-investment population performance is based in non-financial criteria.

The assessment of the investment population performance is set in a multi-year framework as to ensure that the assessment process is based on longer-term performance and that the actual payment of variable remuneration for Material Risk Takers takes account of the underlying business cycle of SAMLUX and its business risks.

The global amount allocated to the variable remuneration ("**bonus pool**") depends on the performance of the Company. Furthermore, the variable remuneration should not limit the ability of SAMLUX to sustainably maintain a strong capital base over the long term. Hence it will be necessary to consider:

- The total amount of variable remuneration to be granted in the financial year.
- The variable remuneration to be paid or consolidated in the year.

When decisions related to variable remuneration plans are made, whether they be new ones or continuation of those already in force, the amounts payable in different scenarios should be estimated.

SAMLUX ensures a balanced ratio between fixed and variable remuneration as to prevent any excessive risk takings with the aim of increasing the variable component. In line with applicable Legal framework, the total amount of the variable remuneration allocated to staff members falling in scope of the Policy may not exceed 200% of the fixed remuneration, except for Control Functions that should not exceed 100% in any case.

All variable remuneration plans must:

- Reward performance, taking into account what is to be achieved and how this is to be achieved;
- Be subject to the appropriate objectives for the role and responsibilities;
- Prioritize a prudent management of all types of risks;
- Incentivize conduct appropriate to a responsible Company and behavior consistent with Group culture (Simple, Personal & Fair) taking into account, for example, of how the employees conduct business, take decisions, and the way in which they interact with other employees, customers, shareholders and society;
- Not promote the sale of a specific product or service, when there is other product or service that can be offered and suits better the customer needs; and
- Not incentivize non allowed own account trading.

In addition, it should be possible for the outcome of variable remuneration to be zero for either the pool or individual participants.

This compensation is supplementary and variable in nature, and is in no way consolidated into fixed remuneration, with the possibility even existing that no amount will be received in the current year or the upcoming fiscal years.

3.5.2 Bonus pool determination

SAMLUX bonus pool is assessed based on:

- A suitable range of metrics relevant for the short and long-term performance of the local business;
- Metrics congruent with the prudential management of present and future risks;
- Metrics generally based on the strategic targets of the Company and the Group. The weighting of each metric will need to be established based on the targets of each country.
- Metrics assessing the achievement of targets and, where applicable and relevant, with thresholds;
- In addition to quantitative metrics, qualitative factors to ensure that all types of risks and sustainability and adequate assessment of results are included.
- The performance review will include, where possible, the inspections and decisions of the impact of supervisor´s reviews and other internal deficiencies detection processes (audit, compliance, risk); and
- The assessment will be reviewed in accordance with the internal governance adopted locally and will always involve suitable input from risk and other relevant control functions.

Group's bonus pool is determined in the context of Group profitability and the profit measures used to determine variable pay pool is adjusted for appropriate current and future risks. The bonus pool for each business, subsidiary, corporate center function or relevant organizational unit is calculated as the sum of the bonus bases or targets of its participants, multiplied by the degree of achievement of the relevant metrics

The metrics for the calculation of the bonus pool incorporates ex-ante adjustments for risk, in order to ensure that the variable remuneration is fully aligned with the risks assumed. The metrics and factors used for ex-ante adjustments for risk reflects all relevant risks.

Group bonus pool is then cascaded by business, subsidiary, corporate center function or relevant organizational unit, considering local performance. Where required, local governance bodies shall assess whether such proposals would allow them to achieve and maintain a sound capital base, while taking into

account the risk profile of the entity concerned and any present and future risks. Local governance bodies shall then review, adjust and / or approve the recommended variable pay pool.

The control functions review the proposed local bonus pool and assess the need to perform additional adjustments. Upon completion of this step, the proposal is submitted to the BoD of SAMLUX for approval. The BoD may introduce the potential changes / adjustments it deems appropriate. Considering SAMLUX's business and risk performance, the BoD will also ensure that the measurements of performance used to allocate SAMLUX's local bonus pool includes an adjustment for all types of current and future risks and taking into consideration the cost of capital and liquidity required.

3.5.3 Performance evaluation

Where remuneration is performance-related, the total amount of remuneration is based on a combination of the performance assessment of the individual and of the business unit or funds managed and their risks and the overall results of the management company, considering financial and non-financial criteria. The appropriate mix of quantitative and qualitative criteria depend on the tasks and responsibilities of the staff member.

In particular, while the performance evaluation of the non-investment population is based on a personal assessment, does not include financial goals, and it is not set within a multiyear framework; any potential investment population will be evaluated within a multiyear framework considering the relevant metrics established at the Company and Group level.
In that context, SAMLUX adheres to MyContribution Model, the performance evaluation methodology adopted at the Group level and described in the Group's "Performance Management Policy" (*see Appendix II*).

Notably, the performance management process is designed and carried out based on the following principles:

- Encourage alignment with the strategy and culture of the Group and the countries;
- Be transparent and clearly communicated to individuals;
- Include what must be achieved (targets, results, etc.) and how it is to be achieved (behaviour, conduct, team management, etc.);
- Ensure suitable confidentiality;
- Consider feedback from all the persons or functions capable of providing an assessment.

3.6 Remuneration limitations

In order to ensure the principles of the Remuneration Policy are properly implemented, the following provisions have been established:

3.6.1 Guaranteed variable remuneration

Guaranteed variable remuneration can only be awarded in specific circumstances and only during a maximum period of the first 12 months following the employment.

As a general standard, the amounts received as bonuses cannot be guaranteed. However, on occasion and only during the first year of effective employment within the Group, it is possible to guarantee that a minimum amount of variable remuneration will be paid on the following terms:

- The capital base should be robust enough to allow the payment;
- The local HR team must be notified of the corresponding amounts so that they can be recorded and reported accordingly;
- Guaranteed variable remuneration may only be granted once to an employee and at the time of hiring. Guaranteed variable remuneration may not be granted because of a change in employment from one Group entity to another.

During the first year of results, guaranteed variable remuneration will not count for the purpose of the maximum amount of variable remuneration.

3.6.2 Personal hedging strategies

Employees are not allowed to undertake any personal hedging strategies or insurance arrangement that will undermine the efforts of risk/performance adjustment.

3.6.3 Compensation or buy out from contracts in previous employment

Where employees are recruited externally, they should only be compensated for the loss of unvested deferred remuneration where there is reasonable evidence of such forfeiture and a sound capital base. In such a case, remuneration packages relating to compensation or buy out from contracts in previous employment must align with the long-term interests of the Company including performance and clawback arrangements without prejudice to the application of the proportionality principle as defined under section 1.3 of the present document.

Notably, for such 'buy-outs', the lost expectation of variable remuneration will be compensated in terms equivalent to those established for the remuneration that the employee ceases to receive from their previous company: timing, amounts and form of payment (like for like). However, the local remuneration team may decide to replace cash amount with shares. The local remuneration function will determine the amount of the buy-out (subject to the applicable conditions). The payment of buy-outs in shares is subject to a resolution of the Shareholders' General Meeting, allowing payment in shares, being in force.

The buy-out amounts, compensating the loss of the variable remuneration granted during the years in which the employee was a material risk taker in their original entity, will become at Santander Group subject to the malus and clawback provisions applicable to variable remuneration granted in Santander in the same period. In addition, the general conditions covering the delivery of shares to material risk takers, set out in the corresponding section of this Policy, will be applicable.

The requirements relating to deferral and payment in instruments are satisfied in as much as the original employer would have taken them into account when granting the remuneration.

3.6.4 Severance payment

Payments relating to the early termination of a contract shall reflect performance achieved over time and shall be designed in a way that does not reward failure.

Where termination payments made are beyond standard policy and practice, appropriate documentation including the rationale and justification for non-compliance should be maintained.

3.6.5 Discretionary pension benefits

SAMLUX has implemented a discretionary pension benefit. SAMLUX will ensure that these contributions are considered to be variable remuneration in the case of material risk takers, hence they will be subject to the payout requirements provided by the Legal framework (i.e., the deferral rules, payment in instrument, retention period and application of malus and clawback provisions) without prejudice to the application of the proportionality principle.

3.6.6 Ratio between fixed and variable remuneration

Variable remuneration of MRT will not exceed 200 % of the level of fixed remuneration in any given year, except for Control Functions that should not exceed 100% in any case.

3.6.7 Methods of payment

Variable remuneration is not allowed to be paid through vehicles or methods that facilitate avoidance of the requirements.

4. GOVERNANCE

To ensure appropriate remuneration practices and avoid potential conflicts of interest, SAMLUX sets

up a governance implicating several corporate functions:

4.1 Board of Directors

The Board of Directors represents the Company in its broadest capacity to manage, administer and govern all matters related to Company business, and will discuss, decide, and execute with no further restraints than whatever issues may be reserved to the shareholders' meeting by law or the Company's Articles of Association.

Notably, the accountability for all matters regarding SAMLUX remuneration policy lies within the Board of Directors, and its responsibilities include:

- To approve and maintain the remuneration policy and oversee its implementation.
- To approve any subsequent material exemptions or changes to the remuneration policy and carefully consider and monitor their effects in light of legislative, regulatory and market developments;
- To approve and oversee the remuneration of senior executives, staff members of control functions and staff members who receive the highest amounts of total remuneration within SAMLUX;
- To ensure the consistency and alignment of the remuneration policy with sound and effective governance, internal control, and risk management practices.

The BoD considers the inputs provided by all competent corporate functions (i.e., risk management, compliance, human resources, strategic planning, etc.). As a result, those functions should be properly involved in the design of the remuneration policy of the Company.

4.2 Remuneration Committee

The Remuneration Committee aim is to propose and advise the Board of Directors in matters related to the preparation of decisions regarding the Policy and to advise and support the Board of Directors in its design and supervision as detailed in the Board of Directors' Regulations. Additionally, the Board of Directors may delegate additional powers to the Remuneration Committee, which is governed by internal Operating Rules, applicable regulations, and the guidelines of the supervisory authorities in force at any given time.

Further details regarding the composition, responsibilities, quorum, frequency, decision-making process and Terms of Reference of the Remuneration Committee are set out in the SAMLUX Internal Governance Model.

The Santander Group may adopt remuneration policies that will apply to all its entities. SAM Luxembourg will adopt these policies and ensure that SAM Luxemburg's Remuneration Policy complements any policy of the Santander Group.

4.3 Senior Management

The Senior Management, by means of the Conducting Officers, is responsible for implementing the remuneration policy. It elaborates procedures to this effect and submits them to the BoD for approval.

4.4 Control Functions

4.4.1 Role & responsibilities

The Control Functions (i.e., Risk Management, Internal Audit, Compliance, and similar functions within SAMLUX), being independent and having sufficient resources, knowledge, and experience to perform their tasks with regard to the Policy, cooperate actively and regularly with each other, Senior management and the BoD in determining the overall remuneration strategy applicable to the

Company, having regard to the promotion of effective risk management. They may be assisted by external experts.

The risk management function assesses how the variable remuneration structure affects the risk profile of SAMLUX (i.e., to validate and assess risk adjustment data, and to attend any internal meetings within the organization that may have an impact on the remuneration strategy of the Company).

The compliance function analyses how the remuneration structure affects SAMLUX's compliance with legislation, regulations, and internal policies (i.e., to validate and assess contractual arrangements, and to attend any internal meetings within the organization that may have an impact on the remuneration strategy of the Company).

4.4.2 Remuneration

The remuneration level of staff in the control functions allows SAMLUX to employ qualified and experienced personnel in these functions.

Staff members engaged in control processes shall be independent from the business units they oversee, have appropriate authority, and be compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

4.5 Human Resources ("HR")

The HR Function participates in and informs on the drawing up, the implementation and the evaluation of the Remuneration Policy in line with HR practices, including the set-up of a remuneration structure in a way that does not only attract and retain the staff but also assures that the Policy is aligned with the risk profile of SAMLUX, and the investment funds it manages.

In this respect, the HR Function is closely involved in the design of the Policy and is responsible for its regular review with the assistance of the local Control Functions, as defined above, who have knowledge of the local provisions, of which it is part. It is responsible for:

- HR proposes key remuneration principles based on market practice and in line with the regulatory environment, after having consulted the Control Functions;
- HR proposes key performance assessment principles to link pay with performance within a multi-year framework, in line with market standards; and
- HR updates (at least annually) the list of MRT both at the Company and Group level.

4.6 Delegated activities

In the case where activities have been delegated to a third party, the responsibility for awarding remuneration and benefits will be made by the person or persons responsible for remuneration matters according to the policies and procedures of the delegate company.

In the case of awards for individuals within the delegate company who are considered identified staff under regulations governing SAMLUX, it is the responsibility of the person or persons responsible for remuneration matters of the delegate company to ensure that the principles outlined in this Policy are applied.

However, in order to ensure equivalent remuneration provisions in the event of delegated activities (especially, investment/ risk management activities), SAMLUX undertakes an initial and ongoing due diligence within a multi-year framework in order to monitor compliance with this Policy. The results of the initial and ongoing monitoring are reviewed by the BoD.

4.7 Policy review

SAMLUX is committed to the regular review and update of the remuneration policy to meet the changing situation of the Company and the investment funds it manages.

The general principles of the Remuneration Policy shall be reviewed at least annually and approved by the Board of Directors, with appropriate involvement of HR and the relevant Control Functions. The implementation of the Remuneration Policy shall also be subject, at least annually, to a central and independent internal review for compliance with the remuneration policies and procedures adopted by the Board of Directors.

5. DISCLOSURE

5.1 Internal disclosure

Taking into account its size, internal organisation and its nature, scope and complexity of its activities, SAMLUX discloses the present document and remuneration practices and information internally to all of its employees (e.g., criteria used to determine their remuneration, the appraisal process) except for confidential quantitative aspects of the remuneration of staff members that are not subject to internal disclosure.

5.2 External disclosure

Without prejudice to confidentiality and applicable data protection legislation and taking into account its size, internal organisation and the nature, scope and complexity of its activities, SAMLUX discloses detailed information regarding its remuneration policies and practices for staff members whose professional activities have a material impact on the risk profile of the Company and the funds under management[3].Notably, the summary of the remuneration policy is available on the Company's website and a remuneration disclosure report is published at least on an annual basis.

In addition, in order to ensure the application of equivalent remuneration policy standards, the same level of information is disclosed where investment/ risk management activities have been delegated to a third party.

[3] Taking into account its nature, its size as well as the specific scope of its activities, SAMLUX issue an annual remuneration disclosure report which contains the following information:
a) information concerning the decision-making process used for determining the remuneration policy, including if applicable, information about the composition and the mandate of a remuneration committee, the name of the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;
b) information on the link between pay and performance;
c) information on the criteria used for performance measurement and risk adjustment;
d) information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;
e) the main parameters and rationale for any annual bonus scheme and any other non-cash benefits.

CONTROL OF THE DOCUMENT

Version	Date	Comment	Approved by
1	28/06/2022	Document Creation	Board of Directors Santander Asset Management Luxembourg, S.A.
2	05/03/2025	Document Review - Added paragraph 4.2 Remuneration Committee - Review ratio between fixed and variable remuneration for Control functions	Board of Directors Santander Asset Management Luxembourg, S.A.
3	29/04/2025	- Pension plan has been implemented and therefore updated in overall Remuneration Policy - Gender Neutral Policy and others	Board of Directors Santander Asset Management Luxembourg, S.A.
4	18/09/2026	Document Review - Review 3.4.1. Specific provision for Members of the Boards and Control Functions - Update 3.6 Severance Payment - 4.7 Annual Review	

APPENDIX I
PROPORTIONALITY PRINCIPLE SELF- ASSESSMENT

CONTEXT AND OBJECTIVES

In line with CSSF circular 18/698 section V, Santander Asset Management Luxembourg S.A. ("**SAMLUX**" or "**the Company**") decides to apply remuneration principles and practices in a manner and to the extent that are appropriate to its size, internal organisation and to the nature, scope, and complexity of its activities.

The proportionality principle aims to match remuneration policies and practices consistently with the Company and its risk profile, risk appetite and strategy, so that the objectives of the obligations are more efficiently achieved.

BACKGROUND

SAMLUX has decided to conduct a self-assessment in order to determine its eligibility to the application of the proportionality principle regarding the neutralisation of the following requirements:

- pay-out of part of the variable remuneration in instruments;
- retention policy;
- deferral of part of the variable remuneration;
- ex post incorporation of risk; and

CSSF Circular 18/698 specifies that the application of the proportionality principle is never automatic.

SELF-ASSESSMENT

- **In line with circular 18/698**

In order to conduct the self assessment in line with CSSF Circular 18/698, the Company has decided to take into account, the following elements:

a) *the number of UCIs/compartments it managed, whether they are regulated, including the UCIs managed on a cross-border basis;*
b) *the total assets under management;*
c) *the risk level of the types of assets or strategies managed;*
d) *the closed-end or open-end nature of the UCIs;*
e) *the number of transactions at the level of UCIs; and*
f) *the possibility for the Company to benefit from a specific intra-group expertise.*

SAMLUX has delegated the portfolio management of 58 UCITS funds to 14 delegated investment managers, however SAMLUX sets the strategy and oversees the portfolio on a daily basis. The number of transactions at the UCIs level corresponds to circa 1700 per month.

- **In line with ESMA Guidelines**

In line with CSSF Circular 18/698, when assessing what is proportionate, management companies should focus on the combination of different criteria. In fact, the criteria listed under the ESMA Guidelines does not constitute an exhaustive list as other criteria might apply. In this respect, management companies may consider other factors as defined under

ESMA Guidelines.

SAMLUX has considered the following criteria:

a) *Size*

According to the ESMA Guidelines, the SIZE criterion is based on the following criteria:

- the value of the management company capital and the value of assets under management of the UCITS/funds that the management company manages;
- the liabilities or the risk exposure of the management company and the UCITS/funds that it manages; and
- the number of staff, branches, or subsidies of a management company.

SAMLUX has 12 employees and the total AUM of the UCITS funds account for 16.4 billion €. In addition to AUM, the size criterion can realte to the Company and UCITS capital, liabilities and risk exposure, as well as the number of branches or subsidiaries and number of employees. SAMLUX may be considered “medium” in terms of the above-mentioned factors.

b) *Nature, scope and complexity of activity*

According to ESMA Guidelines, THE NATURE, SCOPE AND COMPLEXITY OF ACTIVITY criterion is based on:

- the type of authorized activity;
- the type of investment policies and strategies of the UCITS the management company manages;
- the national or cross-border nature of the business activities; and
- the additional management of AIFs.

SAMLUX manages 4 Regulated Luxembourguish UCITS funds (60 sub-funds), most of them plain vanilla. All funds contain limitations regarding asset allocation, maximum deviations, and currency hedging, as well as regulatory limits. Appropriate parameters are set up in the system and monitored by the Risk Management function. SAMLUX may be considered “small” in terms of the above-mentioned factors.

c) *Internal Organisation*

Internal organization can relate to the following elements:

- the legal structure of the Management Company or the funds it manages;
- the complexity of the internal governance structure; and
- any listings on regulated markets of the Management Company or the funds.

In SAMLUX case, (i) its internal governance structure is not complex as it has only 12 employees, (ii) the ownership structure is very simple as it is a wholly owned subsidiary (iii) the legal structure of the funds is not complex; and (iv) the funds it manages are listed on regulated markets. SAMLUX may be considered “small” in terms of the above-mentioned factors.

RESULTS OF THE PROPORTIONALITY SELF ASSESSMENT

The Company has considered the factors outlined above and to date, concluded that it is proportionate for SAMLUX to disapply the payout process rules and the set up of a remuneration committee.

APPENDIX II

Performance Management Policy

SANTANDER GROUP

CONTENT

1) Introduction

2) Principles of the Policy

3) Scope

4) Application and Transposition by Subsidiaries

5) Roles & Responsibilities

6) Key Elements

7) Ownership, interpretation, date of validity and periodic review

1. INTRODUCTION

This policy details the common performance management model of Grupo Santander (subject to the scope below), known as MyContribution, which should be followed by all Group Subsidiaries for individual employee performance management.

It sets out the common framework and indicates the use of common tools across the group, common timescales and a common language.

The policy details the scope of application, and clear expectations for stakeholders in the process.

This policy implements the Corporate Human Resources Framework and must be applied along with pre-existing specific internal regulations both within the Group and the subsidiaries.

2. PRINCIPLES OF THE POLICY

MyContribution aims to reinforce the role of our common culture, The Santander Way, to foster the transformation needed by our Group to truly help people and businesses prosper. The model makes How we do things relevant, in addition to What we do. Additionally, the model aims to promote a performance management approach which is open, transparent, and sees managers play a key role in the development of their teams. Specifically:

- to provide consistent and clear expectations of desired performance of our colleagues; in order to ensure that colleagues understand what is required of them in their roles,
- supporting effective risk management; ensuring every employee understands and discharges their role with due care and attention to risk,
- embedding corporate behaviours in the employee lifecycle and in our everyday activities; in order to continue embedding and focusing on the importance of having a strong common culture within the group: The Santander Way, (as defined in the Corporate Culture Policy, and, The Code of Conduct),
- supporting alignment with the risk culture of the organisation, always displaying appropriate behaviours,
- driving the group's corporate development, facilitating performance management of those professionals in key positions; ensuring they understand and discharge their cross-functional objectives both in their local unit and within the group,
- ensuring collaboration and prior engagement of headquarters in the setting objectives and performance evaluation processes for the Key position and Corporate Segments,
- reinforcing the alignment of the goals of the group's employees with the corporate strategy and the strategy of each division or country, making each division's or country's objectives more visible – allowing colleagues to understand their own contribution to the goals.

3. SCOPE

MyContribution directly applies to the following segments / individuals:

- Promontorio, Faro and Solaruco corporate segments
- Colleagues nominated as being in Key Positions (as defined in the Group-Subsidiary Governance Model and others defined by exceptional means, as later detailed)
- Colleagues nominated as being Material Risk Takers (According to Regulatory & Compensation policy)

This is a global policy. As such, other colleagues may participate in the MyContribution model – in these instances this will be agreed locally, by local approval and transposition of this policy at local unit level.

4. APPLICATION AND TRANSPOSITION BY SUBSIDIARIES

This policy is prepared by Banco Santander, S.A., in its role as parent company of Santander Group, being applicable to the entire Group, and is provided to the entities that comprise it, establishing the rules to be applied to the subject that it refers to, and with which they must comply. (With the policy applying to those listed in the scope above).

To this end, taking this document as a reference, these entities must adopt the policy and are responsible for developing and approving in their respective governing bodies their own internal regulations which allow the application of the provisions it contains within their own scope of activity with any strictly necessary adjustments being made to ensure they are compatible and meet regulatory requirements or the expectations of their supervisors.

This approval must be validated by the Corporate Centre, to ensure consistency with the Group's regulatory and internal governance systems.

5. ROLES & RESPONSIBILITIES

a. THE ROLE OF GLOBAL HUMAN RESOURCES FUNCTION

Global Human Resources function should provide Local Human Resources function with the guidance documents and tools needed to effectively implement performance management.

As such, it is their responsibility to:

- Propose to the appropriate executive governing bodies, for their approval, the policy and procedures that should be followed for performance management

- Development of the model and tools
- Review and communicate this policy annually
- Communicate the annual performance management calendar in adherence to Local Human Resources function
- Maintain a record of country polices and approaches to performance management aligned to this policy
- Create and share best practices benchmark in this area with other similar institutions

b. THE ROLE OF LOCAL HUMAN RESOURCES FUNCTION (IN SUBSIDIARIES)

Local HR function is responsible for establishing local performance management approach and, as such, is in charge of:

- Adopting this policy, using it as a reference to develop and approve their own internal documents in the corresponding governing bodies. Sharing annually local documents (i.e. local policies for performance management…) to Global Human Resources function
- Developing a local managing underperformance guidance and plan, sharing annually to Global Human Resources function
- Delivering locally according to the Global calendar
- Ensuring compliance of performance management policy to local regulations
- Ensuring compliance to the performance management approach for those within the scope
- Ensuring compliance to the performance management Global approach for Key Positions including the engagement of the headquarters in accordance with the Group-Subsidiaries Governance Model
- Ensuring the structures are correct in the relevant databases
- Defining the local elements of the what and how in the performance review templates for employees below the corporate segment level
- Local communication of the performance management calendar and activities – fully aligned to the Global calendar, without exception
- Management of local performance management activities: ensuring the delivery of the performance management process
- Channeling potential issues and incidents to the support team
- Local Human Resources Business Partners are responsible for working with the Local HR team responsible for performance management in order to carry out the relevant tasks
- Defining the calibration approach for employees below the corporate segment level
- Supporting the calibration exercises for the executives (Promontorio, Faro and Solaruco)
- Ensuring a smooth transition into the Workday tool (one common Human Resources IT system) upon its implementation for performance management

c. THE ROLE OF RISK AND COMPLIANCE FUNCTION (GROUP AND SUBSIDIARIES)

Risk and Compliance, as the second line of defense, will provide independent challenge and oversight of the risks deriving from the management by human resources of the performance

management process laid out in this policy. These functions should ensure that risks are managed in accordance with what is established in the corresponding corporate frameworks and development standards and with the risk appetite defined by senior management.

Risk function are responsible for leading the definition of the risk culture and risk management sections of the MyContribution model, as outlined later, in conjunction with other stakeholders

d. THE ROLE OF AUDIT FUNCTION (GROUP AND SUBSIDIARIES)

Internal Audit function will periodically review the main aspects of this policy as part of its ongoing plan of activity.

e. THE ROLE OF CORPORATE SERVICE CENTRE (CSC)

The Corporate Service Centre is responsible for:

- Identifying the perimeter in the global system according with the scope in this document
- Supporting all the stakeholders with the accesses to the tool and IT support
- Update with the countries the list of employees and their corporate segments according to the rules established in this document. Quality of data remains the role of the Local HR function
- Supporting all the IT requirements and tickets from all the employees in the countries, relating to the access of the system where generated by Local HR function or PFS segments. Other users in the countries / units should contact their Local HRBPs for their IT requirements accordingly
- Ensuring the update of the scores, comments, status of performance management process – working with 360 provider and GES provider
- Generation of new document (in the case of new joiner or internal movement) is done with CSC in collaboration with the country / unit that is responsible for notifying of the request
- Management of the MyContribution system: managing the operations in the system to ensure its availability and compliance with this policy

6. KEY ELEMENTS

a. PERFORMANCE MANAGEMENT OF KEY POSITIONS

This section is relevant to those in Key Positions, as defined in Annex 1. Key Positions definition is managed by Internal Governance.

i. FUNCTIONAL SPLIT

Employees in Key Positions have a Functional Rating applied to their performance.

The functional split is established in the Group-Subsidiary Governance Model, with a weighting of 30% of the What, with 70% confirmed locally in the Subsidiaries (The weighting may be adjusted through update of the Group-Subsidiary Governance Model from time to time). Except for: Digital Division, Audit, Wealth Management and SCIB Heads where the functional split is 50% head quarters and 50% Subsidiary.

There is no functional manager input into the How. However, as part of the 360 Feedback process, employees may choose to take feedback from their functional manager, accordingly this feedback will be assessed and weighted as detailed prior in this policy.

In line with the Group-Subsidiary governance model, the evaluation is carried out jointly between the subsidiaries CEO and the head quarters Functional Manager / Head.

For professionals in control functions (risk, compliance, and, audit), must have objectives which are focused solely on their own functions and independently established from those of the business areas on which their control functions are exercised (i.e. no business objectives). The Group´s Remuneration Policy details control functions in more depth.

For professionals in the control functions, in line with the Group-Subsidiary model, the evaluation process established, accounts for participation of the Board and Executives.

Professionals in support functions (HR, IT, Cost, Marketing, Strategy, Communications, etc.) may have both internal objectives focused on their own functions and / or business objectives as agreed on a case by case basis between the employee and the manager.

ii. SHARED FUNCTIONAL MANAGERS

In the case that more than one functional manager is assigned to a Key Position, local HR managers should support in aligning a joint agreement of both functional managers – in general all functional managers should have an equal weighting, however it can be agreed in collaboration with one another.

iii. STAKEHOLDERS & RESPONSIBILITIES FOR KEY POSITIONS

Functional Managers should follow the calendar above, as defined on an annual basis by Global Human Resources function. Setting clear objectives, liaising with the local CEO, and discussing performance with the Key Position, confirming a final result, along with supporting commentary where required.

The Human Resources Business Partners must facilitate the process to ensure on time information to allow functional managers and local CEOs to discuss and agree final proposals.

Corporate Service Centre will provide status reports on the process to Global HR.

b. MANAGING UNDERPERFORMANCE

Underperformance situations must be actively identified and managed. Human Resources function is responsible for providing the necessary support for the management there of. In general, it is expected that employees with a rating of 1.75 or less should as a minimum be supported with a performance improvement plan developed locally between Local HR and the line manager.

In countries in which underperformance management involves a specific procedure, it should be managed in accordance with local regulations and a local guidance developed. This guidance and local regulation, should be shared annually with Global Human Resources function.

c. GENERAL EXCEPTIONS TO PROCESS

The situations considered as an exceptions in the process are as follows:

- New recruits to the Group during the year or employees returning to their posts following long periods of absence
- Internal movements in the organisational structure: changes of job or position, international assignations, etc.

These cases should be managed locally.

In general, all employees with over three months in a position before the start of the end of year review process must have their objectives documented and be assessed, also keeping their original documents from the star of the year available for consideration.

The end of year review and the calibration process are carried out in the belief that where an employee has been in a role for the majority of a year (time), this is where their fully year assessment will be undertaken. However, subject to manager discretion, managers may engage with their peers where an employee has moved roles part way through the year and agree on any relevant performance management inputs to the process.

d. MYCONTRIBUTION MODEL

The MyContribution Model is noted in Annex 2 of this document for information purposes. The model is outside of the scope of this policy and is subject to ongoing revision and amendment via the HR governance model.

7. OWNERSHIP, INTERPRETATION, DATE OF VALIDITY AND PERIODIC REVIEW

Approval of this document rests with the Board of Directors of Banco Santander S.A.

The interpretation of this document rests with the Global HR Culture & Strategy function.

This document will take effect on the date of its publication. Its contents will be subject to periodic review, being made or if appropriate, any changes or modifications deemed appropriate.

CONTROL OF THE DOCUMENT

Version of the Document	Date	Comment	Approved by
1	04/11/2019	Document Creation	Board of Directors Banco Santander S.A.

ANNEX 1

DEFINITIONS:

- **Grupo Santander:** group of companies comprising Banco Santander, S.A. as the parent company, and the dependent companies over which it has direct and/or indirect control. For clarification, it comprises the Banco Santander, S.A. parent company, including the Santander Spain organizational units, which are part of said company, and any other unit/subsidiaries of Banco Santander, S.A.

- **Key position:** The maximum holder of the position described in the Group Subsidiary Governance Model, both at Corporation and Subsidiary level, as well as any other defined by the head quarters or subsidiaries from time to time. The holders of the key positions typically have a joint reporting line to the local CEO, or to a top executive of the subsidiary, and functionally to the head quarters key position holder.

- **Promontorio, Faro, Solaruco, Material Risk Takers (MRT):** as defined in Human Resources Corporate Framework.

ANNEX 2

MYCONTRIBUTION MODEL

MyContribution is Santander's performance management model and applies to professionals across the Group. The model aims to simplify and standardize performance management, promote strategic alignment across the organization and reinforce meritocracy through consistent performance assessment.

Specifically, in the existing model, MyContribution is based on two core concepts: a unique set of up to five objectives structured as OKRs (Objectives & Key Results), and two performance modifiers: HOW and RISK. (The MyContribution model is shared as a key element in the scope of this policy for information. In the event of changes to the model, it will follow the Human Resources governance path).

- HOW modifier: ± 0,25 assessing ways of working in line with Santander's culture.
- RISK modifier: ± 0,25 assesses the compliance with the Santander Risk Culture.

Goal Setting ("What")

Employees must define a unique set of up to five (5) objectives and fifteen (15) Key Results (KRs) per year. Objectives will be structured following the OKR methodology, with each Objective defining the desired outcome or impact and the associated Key Results establishing measurable indicators of progress.

OKRs should be aligned as closely as possible with those of the employee's manager and Santander's strategic priorities, reinforcing the cascading of objectives throughout the organization. Key Results should follow the SMART methodology: Specific, Measurable, Achievable, Relevant and Time-bound. Once defined, a weight must be assigned to each OKR, adding up to 100%, with **no Key Result assigned a weight below 5%**. (Generally, this process happens during Q1). Employees with both a functional and hierarchical reporting line will define a unified goal set. Goals are reviewed first by the functional manager and validated by the hierarchical manager

S	**Specific** What exactly do you want to achieve?	• Be clear and precise in describing your goal. • Shape the overall objective into a more detailed and specific one. • It defines who, what, where, when and why.
M	**Measurable** How will you measure your progress?	• Determine clear and quantifiable KPIs to track progress. • Adjust the measurements of success as needed
A	**Achievable** Is the goal realistic, given your resources, skills and time frame?	• Consider factors/ limitations such as time, budget, and team capabilities. • Ensure that the goal is realistic.
R	**Relevant** How does this goal align with your overall aspirations?	• Set goals that are aligned with organizational goals and strategic priorities • Ensure it has a significant impact on your personal & professional growth.
T	**Time-bound** What is the time frame for achieving this goal?	• Set a specific target date or time frame for completion to generate urgency and help prioritization of tasks. • Assign sufficient time to complete the necessary tasks.

Goal Evaluation

At the End of Year (generally this process occurs during Q4) rating will be subject to one-by-one revision at a specific Calibration Committee. There is a **3-Level Scoring Scale**. Each goal is assessed individually using the following performance scale:

1. **Underperformance**: Below expected standards.
2. **Meets Expectations**: Robust, reliable performance.
3. **Exceptional**: Far exceeds objectives and delivers impact.

The final goal score is computed as a **weighted average** of all objective scores based on their respective weightings that should have been previously defined collaboratively with his/her manager in Q1. Employee evaluations are subsequently subject to the applicable **calibration process**, involving the relevant HR team and Evaluation/Calibration Committees, to promote consistency and fairness in performance assessments across the organization.

Scale	Rating	Definition
Underperformance	1	Contribution below expectations compared to the objectives set for your position. Performance is significantly below required standards and there are critical areas that require immediate improvement.
Meets Expectations	2	Most of the objective set are met or exceeded. Performance is robust and reliable with results above expectations in several areas.
Exceptional	3	Far exceeds established goals by showing exceptional performance in all of the areas of responsibility. It contributes significantly to the success of the team and the organization.

Modifiers

Modifiers aim to encourage exemplary behavior while ensuring consistency and fairness in performance evaluations across the Group. The manager will base the "How" and "Risk" modifiers on employee behavioral performance aligned with corporate standards (e.g. adherence to leadership principles, organization of tasks based on area objectives, promotion of team growth, building peer trust, and more) changes in processes or ways of working…).

Two **modifiers**, each ranging from **+0.25 to -0.25**, can adjust the final goal score:

- **How Modifier**: Assesses behaviors aligned with Santander's **TEAMS framework**.
    - Upward Feedback for managers and Peer Feedback may be used as additional inputs to support the assessment of behaviours and ways of working.
    - Exceptional or underperforming behaviors must be substantiated and justified in the calibration process.
- **Risk Modifier**: Evaluates how risk is managed, including:
    - Compliance with the **Code of Conduct**, risk policies, and cyber-resilience guidelines.
    - Completion of **mandatory training**, incident management, and phishing tests.
    - Non-compliance or exceptional conduct triggers +0.25 or -0.25 adjustments.
- Both modifiers are **used exceptionally**, not routinely. A **0** value is standard unless justified otherwise.
- Any +0.25 or -0.25 modifier must be appropriately supported and justified by the manager during the applicable calibration process.
- A **-0.25 modifier** in either domain automatically disqualifies the employee from receiving an “Exceptional” overall rating.

HOW	
Exceptional (+0.25)	Demonstrates exceptional and very significant behavior in all areas of his role.
Meets Expectations (0)	Reflects optimal behavior in all areas.
Underperformance (-0.25)	Does not meet minimum standards. Consistent improvements and close monitoring are needed.

RISKS	
Exceptional (+0.25)	Exceptional risk behavior creating a safe environment and sharing learning beyond its scope.
Meets Expectations (0)	Exemplary risk behavior, not only in their functions but with the team establishing controls to mitigate risks
Underperformance (-0.25)	Insecurity or non-compliance with the risks relevant to its function. Unacceptable behavior in terms of risks in relation to their function. Critical shortcomings.

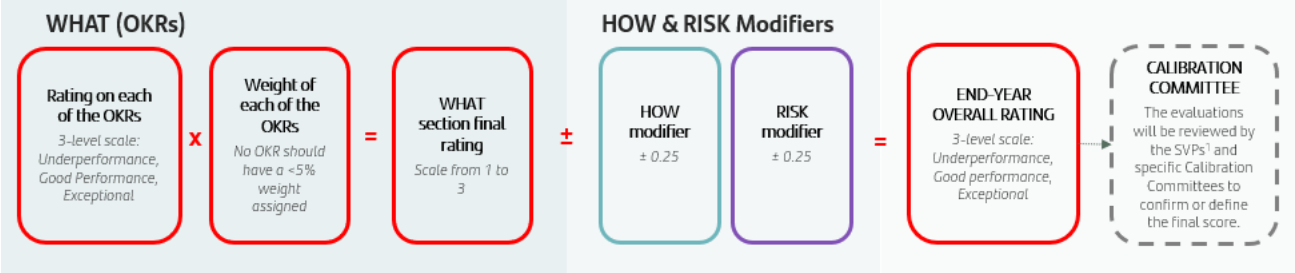
Final Overall Rating

The overall performance rating is the **sum of the goal score and applicable modifiers**, capped at a maximum of 3.0. Three final rating levels are recognized:

- **Underperformance**: 1.00 – 1.75
- **Meets Expectations**: 1.76 – 2.75
- **Exceptional**: 2.76 – 3.00

Final ratings are reviewed and validated through the corresponding calibration process. Ratings outside the norm (i.e., **Underperformance or Exceptional**) must be **reviewed and approved by a Calibration Committee** at the unit level.





ANNEX 3:

INDIVIDUAL & TEAM METRIC KPI SCORECARD:

Metric	Description
Workforce Diversity	
Male to female ratio	# of males for each female in the area.
Geographic Diversity	# of people with common nationality/region within the area.
Ethnic Diversity	# of people having racial, religious, linguistic, and certain other traits in common.
Attract	
Rate of External Job Hires	# of hires per year.
Rate of Internal Job Hires	# of transfers per year.
Develop & Retain	
Mundo Santander / High potential global programs	# of employees from the area (or other areas) participating in Mundo Santander / High potential global programs.
Mobility	# of movements in the area relative to the total movements of the country/division.
Unmanaged attrition	# of employees with 4-5 performance rating who leave the company voluntarily.
Training per employee	Training hours per employee.
Continuous feedback/insights	# of feedbacks/insights recorded.
Promotions	# of employees promoted.
Flexi-working	
Flexi-working	# of employees using flexi-working.
Collaboration	
Global projects	# of employees participating in Global initiatives.
Multi-area projects	# of employees participating with other areas within the Country/Division.
Share best-practices	# of best practices shared between Countries/Divisions.

ANNEX 4:

Quantitative Disclosures:

This quantitative remuneration disclosure is as of 31 December 2025, with respect to SAMLUX employees.

No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

For the year ending 31 December 2025	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Total remuneration awarded by SAM LUX during the financial year *	1,676k €	224k €	1,900k €	21
Remuneration awarded to Head of Office and COs **	911k €	161k €	1,072k €	6

* The remuneration disclosed above is remuneration awarded by SAM LUX in respect of the performance year 1 January 2025 to 31 December 2025 and includes all SAM LUX Employees.

** Employees who are Conducting Officers (CO) and the Head of SAM LUX Office.