



# Santander Asset Management Luxembourg Remuneration Policy

Santander Asset Management Luxembourg has established a remuneration policy in order to ensure compliance with the European regulation for UCITS V.

Santander Asset Management Luxembourg S.A. (“SAMLUX” or “the Company”) sets out in this internal policy the remuneration policies and practices that the Company applies to its employees, managers and directors.

The policy is applicable to all individuals performing activities captured by the UCITS regulations (as detailed above), whether such activities are carried out within SAMLUX or delegated to a third party.

## **Roles & Accountabilities**

The Board of Directors represents the Company with the broadest capacities 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.

The accountability for all matters regarding the Company’s remuneration policy lies with the Board of Directors.

## **Remuneration Strategy and General Criteria.**

### **Purpose of the remuneration policy**

The purpose of this remuneration policy is to set out the basic principles of the Company’s remuneration structure and its different components, 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.

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.

### **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 its shareholders.

Remuneration in SAMLUX is aligned with Santander Asset Management Group’s 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 UCITS it manages, the investors of such UCITS 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.



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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 do not encouraging risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS they manage.

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 their 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 Board 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.

## **Members of the Board, Conducting Officers and Control Functions remuneration**

The members of the Board of Directors receive no remuneration for being members of the Board of Directors. The Senior Managers who are remunerated received only a fixed remuneration to ensure the independence and avoid conflict of interest.

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.



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## Identified Staff

According to UCITSV directive and ESMA guidelines, SAM LUX has to define, taking into account both (i) qualitative and (ii) quantitative criteria, Identified Staff.

SAMLUX identified staff are:

- 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.
- Employees in the same remuneration bracket as senior management.

## Remuneration Provisions

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

- Guaranteed variable remuneration can only be awarded in specific circumstances.
- Employees are not allowed to undertake any personal hedging strategies or insurance arrangement that will undermine the efforts of risk/performance adjustment.
- Variable remuneration is not to be paid through vehicles or methods that facilitate avoidance of the requirements.

## Governance

SAMLUX will review the remuneration policy on an annual basis (at least) ensuring thorough review by HR, Compliance, Risk & Internal Audit and approval by the Board of Directors.

In the case of SAM LUX employees the Conducting Officers, with approval from the Board of Directors, are responsible for awarding the remuneration and benefits. 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 delegated Company. In the case of awards for individuals within the delegated 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 delegated Company, to ensure that the principles outlined in this policy are applied. The Board will undertake an annual review to monitor compliance with this policy for Delegated Company's.



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## **Remuneration policy communication**

The complete document and relevant internal procedures are available for all employees. The summary of the remuneration policy is available in the Company website.