KARAKTER INVEST SICAV-FIS S.A.

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Remuneration Policy

The Company regards its remuneration policy as an element of its corporate governance and it is aimed at appropriate and effective risk management. The principles below apply to

- the persons responsible for the effective management of The Company;
- employees who exercise key functions or independent control functions;
- employees whose professional activities, individually or as a member of a group, (can) materially influence the risk profile of the Company.

1. The Company establishes a general remuneration policy that is consistent with and contributes to healthy and effective risk management. The remuneration policy does not encourage excessive risk behavior.

2. The remuneration policy is in line with the business strategy, risk tolerance, objectives, values and long-term interests of the Company, such as sustainable growth prospects. The remuneration policy is also in accordance with the principles relating to the protection of clients and investors in the context of the services provided for them.

3. Structure of the remuneration policy

When the remuneration includes a variable remuneration component, the remuneration policy strives for a balanced distribution between fixed and variable remuneration components. This balanced distribution between remuneration components can vary between employees, depending on market conditions and the specific context in which the Company operates. The Board keeps a close eye on the evolution of the variable remuneration component and the distribution of the fixed, variable component for each employee. During the annual evaluation it is determined whether certain employees do not develop excessively risky activities in order to obtain a larger variable component. If this is established, the Board will hold a meeting with the employee to put an end to this. An upper limit of EUR 400,000 is set for the variable remuneration component.

The share of the fixed remuneration component in the total remuneration package is sufficiently high, so that the employee does not have to count on variable remuneration in order to receive an appropriate wage and the Company can pursue its remuneration policy in complete freedom. In particular, the Company should have the possibility to withhold all or part of variable remuneration where the performance criteria are not met by the person, business unit or institution as a whole concerned. The Company must also have the option to withhold variable compensation if its position deteriorates significantly. The Company informs its future employees of this possibility and includes it as such in the employment contract. In this way, The Company ensures that it can conduct its remuneration policy in complete freedom.

When a variable remuneration in excess of EUR 100,000 is awarded, the payment of 60% of this remuneration is deferred for at least 5 years (vesting period). The deferred part of the variable remuneration is related to the outstanding risks associated with the performance to which this remuneration relates and may consist of shares, options, cash or other means whose payout is suspended during the vesting period. The payment of the deferred amount is linked to assessment criteria for future consequences of the performance for which variable remuneration was awarded, over two years.

The Board takes measures to obtain (full or partial) repayment by employees of performance-related variable remuneration already paid, when these were awarded on the basis of information that subsequently appears to be manifestly incorrect or misleading, or when these arise from fraudulent activities. The employment agreement with employees states that they are obliged to repay variable remuneration if they are obtained through incorrect or misleading representations.

Contractually agreed termination benefits and benefits related to mergers or acquisitions should be related to performance over time and should not be reward for failure.

The structure of the remuneration policy is subsequently updated annually to ensure that it keeps pace with the changing situation of the Company.

The variable remuneration component can be included in the form that the manager prefers: individual pension commitment, company car, free supplementary pension for self-employed persons or other proposals from the manager.

4. Performance assessment

When the remuneration is performance-related, this amount is based on a combination of the assessment of the performance of the person concerned and the business unit concerned on the one hand, and the results of the Company as a whole on the other. The variable remuneration component is determined at the Company as a percentage of the applied profitability of the clientele. Thus, a variable component can never endanger the profitability and stability of the Company.

Performance is assessed against objectives set in a multi-annual framework to ensure that the performance assessment covers longer-term performance, taking into account the economic cycle of the institution.

In the assessment of performance, as a basis for variable remuneration or pools of such remuneration, an adjustment is made for current and future risks associated with the underlying performance, and takes into account the cost of capital employed and the liquidity required. Joost Olbrechts determines the amount of these corrections and draws up a model at the appropriate time.

When assessing individual performance, non-financial criteria such as acquired skills and personal development are taken into account. Insofar as these elements do not merely increase the sale of financial instruments or the provision of financial services, the following assessment criteria can also be cited: following the business strategy, compliance with internal rules and procedures, compliance with standards that regulate the relationship with the clients and investors and the contribution to the performance of the team. If appropriate, the underperformance in terms of these non-financial criteria will weigh on the good performance in terms of profit-making.

The remuneration policy is also aimed at preventing conflicts of interest. The Company's procedures for determining remuneration are clear, well documented and internally transparent.

5. Governance

The remuneration policy is discussed in the annual review of the internal control measures by the Board. In this assessment, the latter may be assisted by the independent control functions, in particular to assess the implementation of the remuneration policy against the policies and procedures established by the Board. Particular attention is paid to the prevention of incentives to take excessive risk and other non-constructive behavior.

Employees involved in control processes are independent of the business units they supervise, have an appropriate level of authority and remuneration. These employees are remunerated in accordance with the achievement of their job objectives, regardless of the performance of the business activities they control.

The general principles of the remuneration policy are available to the relevant employees of the Company. The employees concerned are informed in advance of the criteria that will be used to determine their remuneration and of the appraisal process. The appraisal process and remuneration policy are well documented and transparent for the individual employees concerned.