

## **Aegon Asset Management Europe ICAV Remuneration Policy**

### **Introduction**

In accordance with its obligations pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (together, the “**UCITS Regulations**”), Aegon Asset Management Europe ICAV (the “**ICAV**”) is required to have remuneration policies and practices that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the ICAV. Such policies and practices should apply to those categories of staff (including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers) whose professional activities have a material impact on the risk profiles of the ICAV (“**identified staff**”).

### **Identified Staff**

The UCITS Regulations require the ICAV to identify the categories of staff whose professional activities have a material impact on the risk profile of the ICAV. The ICAV is a self-managed investment fund controlled and managed by the Board of Directors. Given their role, the Directors’ activities do have a material impact on the risk profile of the ICAV and the Directors therefore are identified staff.

The ICAV has also appointed individuals as designated persons. The role of such persons is primarily to monitor the activity of the ICAV on an ongoing basis and report regularly to the Directors, with immediate escalation where required. As such, the activities of the designated persons do not have a material impact on the risk profile of the ICAV and the designated persons therefore are not identified staff.

The ICAV has no other staff and therefore the Directors are the only identified staff of the ICAV.

### **Remuneration**

Directors who are employees of the Aegon group of companies and Kames group of companies are not entitled to remuneration for their services as Director.

The other Directors receive a fixed fee only and do not receive any variable remuneration. The fixed fee is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the ICAV’s complexity, the extent of the responsibilities and the number of board meetings. It is not performance related.

None of the Directors are currently in receipt of variable remuneration in respect of their services as directors of the ICAV. Accordingly, the detailed provisions of the UCITS Regulations and the related the ESMA Guidelines on sound remuneration policies under the UCITS Directive (2016/ESMA/575) (“**ESMA Guidelines**”) in relation to variable remuneration are not applicable to the ICAV. None of the directors are currently in receipt of a pension from the ICAV nor do they have any future pension entitlement from the ICAV.

## Disclosures

The ICAV's accounts are audited by PricewaterhouseCoopers, who will ensure that the necessary disclosures are made in relation to remuneration in the annual audited accounts.

## Remuneration committee

The UCITS Regulations require self-managed investment companies (such as the ICAV) that are significant in terms of their size, their internal organisation and the nature, scope and complexity of their activities to establish a remuneration committee. Having considered these criteria, the ICAV has determined that, on the advice of counsel, given that the ICAV currently has no staff and that the ICAV does not have a complex internal organisation, it is not significant in these respects and therefore the ICAV has not established a remuneration committee.

## Delegation

The ICAV has delegated certain activities, as specified in its business plan, in respect of the investment management and risk management to Aegon Investment Management B.V. (the "**Investment Manager**") which, in turn, has delegated investment management to Aegon USA Investment Management, LLC (the "**Sub-Investment Manager**") for certain sub-funds of the ICAV.

Where the ICAV has delegated, or the Investment Manager has sub-delegated, investment management functions, the ICAV is required to ensure that:

- (i) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
- (ii) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines, subject to the application of the proportionality rules set out in the ESMA Guidelines.

The ESMA Guidelines provide that when taking measures to comply with the requirements of the UCITS Regulations and the ESMA Guidelines, the Company should comply in a way and to the extent that is appropriate to its (a) size; (b) internal organisation; and (c) the nature, scope and complexity of its internal activities. The ESMA Guidelines outline that it is necessary to analyse (a) – (c) together, and not one single element in isolation, when considering whether an entity may dis-apply the requirements set out in the UCITS Regulations, on the basis of proportionality.

As outlined above, the ICAV has delegated to the Investment Manager, which has sub-delegated to the Sub-Investment Manager. In line with the requirements of the ESMA Guidelines, the ICAV has confirmed that the Investment Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines. In addition, the ICAV must approve the appointment of any sub-delegate by the Investment Manager. It has approved the appointment of the Sub-Investment Manager on the basis, in the context of remuneration, that the Sub-Investment Manager is subject to the [Aegon Group Global Remuneration framework](#), which imposes requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines.

## **Annual Review**

This remuneration policy (together with compliance herewith) will be subject to annual review. These reviews will ensure that:

- the overall remuneration system operates as intended;
- the remuneration pay-outs are appropriate;
- the risk profile, objectives and goals of the ICAV are adequately reflected; and
- the policy reflects available guidelines and regulatory requirements.

Following a review of adherence to the ICAV's remuneration policies and procedures, action may be required if remuneration levels do not adhere to the principles set out therein or is at a level which is unacceptable or gives rise to conflicts of interest. The action to be taken may include possible revision of the level of remuneration payable to the individual(s) concerned. The responsibility for determining action to be taken and for taking action on behalf of the ICAV lies with the Board.