



Preliminary remarks

As a management company, Flossbach von Storch Invest S.A. ("FvS Invest S.A.") is required by various statutory regulations to have a suitable remuneration system. This should be an obstacle to detrimental incentives to enter into disproportionately high risks.

1 General information on the remuneration system

The Management Board of FvS Invest S.A. is responsible for the appropriate organisation of employee remuneration systems, while the Supervisory Board is responsible for organising the remuneration systems for the Management Board. The Management Board informs the Supervisory Board about the organisation of the remuneration systems on an annual basis as part of the first Supervisory Board meeting of a financial year. Control units play an appropriate role in the organisation and monitoring of remuneration systems within the context of statutory requirements.

FvS Invest S.A. has a uniform, transparent remuneration system that is orientated towards the achievement of corporate goals in the business and risk strategy of the Flossbach von Storch Group.

An employee's potential total remuneration is composed of a fixed and a variable component. The remuneration system does not provide incentives that could prompt employees to place their personal interests or the company's interests above customer interests.

2 Fixed remuneration

Fixed remuneration serves to compensate employees according to their qualifications, experience and skills, as well as the requirements, significance and scope of their work. Specifically, it includes the contractually agreed monthly recurring salary, and potentially the provision of a company car.

The appropriate amount for an employee's fixed remuneration shall be determined based on a market comparison of his/her role, general salary levels within the company, the labour market situation in the respective industry and at the respective location and the regulatory requirements for the structures applicable to total remuneration.

Competitive fixed remuneration plays an important role in attracting and retaining employees. This guarantees that FvS Invest S.A. has the competencies required to meet its strategic goals.

3 Variable remuneration

Qualitative and quantitative criteria should be taken into account in the determination of variable remuneration. These criteria must ensure that employees' and/or the company's interests are in line with customer interests. The core criterion is therefore the surpassing of expected performance, both vis-à-vis customers and the company.

Variable remuneration also has the benefit that it can differentiate performance results and promote practices by means of suitable incentive systems, which in turn affect the corporate culture. As a



result, variable remuneration is a main feature of standard remuneration in the industry. Together with fixed remuneration, this forms the total remuneration, which is both cost-efficient and flexible.

A significant criterion for FvS Invest S.A. in decisions on the overall amount of variable remuneration is balancing the sustainability of the FvS Group in terms of earnings, capital bases and competitiveness. In determining sustainability, the earnings position of the entire FvS Group should be considered so that it can be ensured that the overall total variable remuneration is at a level that can be sustained by the Group. It is therefore determined that variable remuneration can only be provided to all or individual employees if the consolidated results before tax in the relevant calendar year are not negative, in consideration of the planned variable remuneration and independently of the individual result/contribution of an employee.

Variable remuneration is not guaranteed. Even if variable remuneration has been paid for several years, this does not imply an entitlement to future variable remuneration.

The maximum variable remuneration payable to an employee is limited to 100% of this employee's fixed remuneration. However, the maximum variable remuneration payable to an employee can be up to the amount of 200% of this employee's fixed remuneration if the provisions of CSSF Circular 15/622 of 21 October 2015 are observed.

All variable remuneration is calculated on a linear basis and is not solely dependent on whether an individual target has been achieved or not.

4 Relationship between variable and fixed remuneration

The remuneration system used means that employees and members of the Management Board are not significantly dependent on variable remuneration. This does not provide incentives to enter into risks. Fixed and variable remuneration components are appropriately interrelated. The upper limit set by FvS Invest S.A. for variable remuneration in proportion to fixed remuneration is in accordance with statutory requirements.

Variable remuneration can be reclaimed for up to 3 years if the Supervisory Board and/or Management Board determines that the services originally provided were not appropriate because a performance measure subsequently turned out to be significantly incorrect or a transaction attributable to the employee has highly detrimental effects on the FvS Group, or because of misconduct on the part of the employee such as disloyalty, fraud, deception or a breach of trust. This also applies in the event that internal guidelines, procedures, or applicable laws or provisions that were not laid down by the Group or FvS Invest S.A. are breached.

5 Further requirements for UCITS and AIF managers

The focus on remuneration in control units (compliance, risk management, internal auditing) is on fixed remuneration while simultaneously facilitating suitable quantitative and qualitative staffing in the control units. In accordance with the guidelines on the remuneration policy, employees in these areas are remunerated in accordance with their level of target attainment, independently of the work undertaken in the areas controlled by them. The establishment of a remuneration committee is



currently not required in consideration of proportionality principles, i.e. on the basis of the internal organisation of FvS Invest S.A. and the nature and scope of its business.