

QUONIAM REMUNERATION POLICY

(Dated as of: January 2021)

1. Scope and contents

The Remuneration Policy applies to Quoniam Asset Management GmbH. The Remuneration Policy will ensure that the remuneration systems of the company are structured in a sustainable manner and conform to the statutory requirements that apply to Quoniam and Quoniam's risk strategy, whilst adhering to the principle of proportionality. The Remuneration Policy is in line with the consideration of sustainability risks. Aspects such as transparency and suitability of the remuneration systems, target- and performance-oriented as well as long-term remuneration components are incorporated into the Remuneration Policy.

The Remuneration Policy does not contain any binding regulations with regard to employees and does not establish any direct or indirect claims with regard to them.

2. General remuneration structure

The total remuneration in principle comprises fixed and variable remuneration elements, together with any fringe benefits.

- a) The fixed remuneration element consists of the employee's fixed basic salary (including allowances). The basis salary is agreed on an individual basis. The fundamental parameters in determining the amount of the basic salary are the role exercised and the employee's individual responsibilities and position within the company.

The basic salary and other fixed remuneration elements are referred to jointly below as "**fixed remuneration**".

- b) Variable remuneration elements are structured in various ways according to the relevant regulatory provisions in force and may be granted, for example, as a bonus or as a deferral as part of a deferred compensation plan. The variable remuneration elements are referred to jointly below as "**variable remuneration**".
- c) The fringe benefits comprise all other contractual or tariff benefits, such as the company pension scheme, for example.

3. Principles for the structure of the remuneration systems

- 3.1. The variable remuneration elements must be focussed on the achievement of the respective objectives and principles of risk policy laid down in the business and risk strategy of the company. In the event of changes to the risk strategy, the structure of the remuneration systems must be reviewed and if necessary adapted.
- 3.2 It must be guaranteed in structuring the remuneration that the fixed and variable remuneration are in an appropriate ratio to one another. An appropriate ratio exists if, on the one hand, there is no significant dependency on the variable remuneration and moreover if negative incentives to enter into disproportionately high risk positions are avoided, but on the other hand the variable remuneration can provide an effective incentive to behaviour. The fixed remuneration is structured in such a way that the employee is not reliant on the variable remuneration to cover appropriate costs of living.
- 3.3 The remuneration systems must be structured in such a way that, if the amounts of variable remuneration are inappropriately high, the company has the possibility of correcting them. In particular, the company should retain the possibility, as far as legally permitted, to adjust inappropriately high amounts of variable remuneration at its discretion, taking into account the risk positions in the individual case and the statutory regulations.
- 3.4 The amount of the variable remuneration of employees in control units and employees of the business units controlled by them may not be determined according to parallel remuneration parameters, to the extent that this may result in the risk of a conflict of interest.
- 3.5 The respective upper limits set by the company for the ratio between variable and fixed remuneration must be observed. As part of remuneration agreements, care must be taken to ensure that the relevant upper limits are not exceeded.
- 3.6 Remuneration decisions, in particular the determination of employees' individual fixed and variable remuneration, must be made according to the current policies and company rules. Care must be taken to ensure that remuneration decisions are not based on extraneous considerations, and in the case of doubt such decisions are substantiated and documented in writing. In particular, such remuneration decisions are extraneous and impermissible if they are used to circumvent an extension from variable remunerations elements or other measures to safeguard the risk orientation of the remuneration (e.g., deferral regulations). A case of doubt is present in particular if a measure to safeguard the risk orientation of the remuneration is no longer applicable to the employee concerned due to a remuneration decision.

- 3.7 Cash-equivalent benefits must not be granted above a customary level. This ensures that the variable remuneration is not substituted/circumvented in parts due to an excessive allocation of cash-equivalent benefits and so the bonus system is not undermined.
- 3.8 Guaranteed bonus payments are generally impermissible and in any event are granted for no longer than the first 12 months of employment when an employee assumes a service or employment relationship. Care must also be taken to ensure that the company has an appropriate equity and liquidity position at the time of payment and sufficient capital to safeguard its risk-bearing capacity.
- 3.9 Severance payments are paid solely on the basis of a collective bargaining regulation or an individual legal agreement made in connection with the departure of the employee. In particular, employees may not be promised contractually guaranteed payments in the event of a subsequent departure from the company (*golden parachutes*). Moreover, negative contributions to the company's success or misconduct by the departing employee are in principle reflected in the amount of the severance payment.
- 3.10 Employees must be placed under an obligation not to restrict or override the risk orientation of their remuneration due to personal hedging measures or other countermeasures.
- 3.11 Variable remuneration elements must be granted subject to the condition of changes to the statutory and regulatory provisions. They must take account of any statutory and regulatory powers of intervention.

4. Structure of the variable remuneration and remuneration parameters

- 4.1 Variable remuneration elements dependent on success and performance should be a fundamental component of the remuneration system. At the same time, the variable remuneration must be structured with a focus on the market and compared with the company's competitors at regular intervals.
- 4.2 When assessing the variable remuneration for the financial year (in particular the annual bonus), both the risk-adjusted success of the company and individual business areas as well as the employee's individual contribution to performance must in principle be taken into account.
- 4.3 The bonus is determined on an individual basis by the executive board. The basis used for determining the amount of the bonus for each employee, alongside the extent of the employee's role and responsibilities, are the company's operating result and the annual performance assessment. The latter is based in principle on qualitative factors.

- 4.4 The relevant criteria/parameters for determining the bonus and other terms and conditions, in particular for their accrual and payment, are set by the company unilaterally for each financial year. In so doing, the company bases its consideration on the applicable statutory provisions and requirements, in particular those under supervisory law.