

Remuneration policy of Attrax Financial Services S.A. (AFS), Luxembourg

As an investment firm, AFS has adopted a remuneration policy that complies with the applicable statutory provisions of the Capital Requirements Directive IV (CRD IV).

A) Responsibility for the remuneration policy

The Supervisory Board of AFS sets out corporate governance rules that ensure the effective and prudent management of the company, and that, among other things, stipulate the separation of duties within the organisation and the prevention of conflicts of interest. The Board monitors and is responsible for compliance with these rules.

The Supervisory Board has approved a remuneration policy that is compatible with, and conducive to, sound and effective risk management, while not encouraging the assumption of risk that exceeds Attrax Financial Services S.A.'s tolerance limits. The principles approved are in line with the company's size, internal organisation, type, scope and business complexity.

The Supervisory Board reviews the remuneration policy and actual remuneration levels at least once a year; it is responsible for implementation and monitoring in this area. Any changes to the remuneration policy require the prior consent of the Supervisory Board.

A central and independent internal review determines whether the remuneration policy is being implemented in accordance with the remuneration guidelines and processes set out by the Supervisory Board in its supervisory role. This review is carried out by the Compliance, Risk Management and Internal Audit units, which are responsible for monitoring.

B) The remuneration policy in general

The remuneration policy applies to all employees. It takes the different categories of employees into account, including Board of Managing Directors, risk takers, employees with monitoring functions, employees who are on the same level of pay Board of Managing Directors due to their overall remuneration, and risk takers whose activities have a significant influence on the company's risk profile.

The remuneration policy distinguishes between fixed and variable remuneration.

The ratio of fixed to variable remuneration components is appropriate. The proportion of the overall remuneration accounted for by the fixed component is large enough to provide complete flexibility with regard to the variable remuneration components, including the option of not paying a variable component at all.

Fixed remuneration is determined using a job evaluation process (grading) based on a range of criteria. The fixed component (basic salary) reflects the organisational responsibility attached to the employee's function within the company, and is also influenced by his or her length of service and salary position compared with the target salary (target income).

The variable remuneration component is based on performance and results. The performance-related remuneration depends on the individual employee's achievement of

annual targets. The results-related components depend on financial and corporate performance indicators; the payment is made, or adjusted, if the relevant results are achieved.

Employee appraisals are based on the target agreement system. The targets are derived from the corporate strategy according to the employees' organisational/hierarchical position. The outcome of the annual appraisal affects the level of variable remuneration. The performance planning quality is checked annually by means of a random sample.

C) Remuneration for specific categories

Employees working in monitoring units are independent of the monitored units.

They are remunerated in accordance with their achievement of the targets relating to their tasks, but independently of the performance of the business units that they monitor.

The remuneration model for risk takers (employees identified as part of the risk taker analysis, which takes place at least once a year) provides for a risk taker target bonus in addition to a fixed basic salary. This risk taker target bonus is determined every year, with the assessment period covering several years. In addition to individual target achievement (third level), the assessment considers key performance indicators to evaluate overall performance at Union Investment Group level (first level) and segment-specific performance indicators (second level) that are of significance for the company. The risk taker target bonus consists of several components, some of which are cash and some non-cash in nature. The variable remuneration is paid over a period of several years, normally five, and can amount to zero. The variable remuneration is only paid out if the financial situation of the company allows. It is possible to adjust the payment components at a later date using a 'malus'. This process takes both key financials and individual behavior into account.

The ratio of fixed to variable remuneration is normally maximum 1:1. The variable remuneration can only exceed 100 per cent of the fixed remuneration in exceptional cases. In particular, such cases require a decision by the annual general meeting to award a higher maximum amount, which may not exceed 200 per cent of the fixed remuneration.

Payments relating to the early termination of a contract take account of the employee's past performance and do not reward insufficient performance or misconduct.

Variable remuneration is only guaranteed in the first year of employment.

The remuneration policy of AFS is in line with the corporate strategy, objectives, values and long-term interests of AFS. Employees of AFS confirm in their individual employment contracts that they will adhere to the prevailing compliance guidelines. This includes the provision that employees will not engage in any personal hedging strategies to counteract the risk-oriented intent of the remuneration systems.

As AFS is not a major institution, it has chosen not to set up a remuneration committee. If you have any further questions, please contact the Board of Managing Directors of AFS.

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