

Remuneration Policy

of MEAG Luxembourg S.à r.l.

MEAG Luxembourg S.à r.l. (the "**Management Company**") acts as a management company for investment funds and has its registered office in the Grand Duchy of Luxembourg.

The Management Company participates in the remuneration strategy of MEAG Group.

The remuneration concept is designed to ensure that conflicts of interest and damaging incentives with negative effects for the company or funds are prevented. It is consistent with the goals of the managed funds and the company's risk strategy, with sustainability risks being considered. It incentivises adherence to and the furtherance of ESG compliance.

The remuneration concept aims to encourage and motivate the employees to perform. It applies to all employees equally and meets the regulatory requirements.

Principles of the remuneration system

The Board of Managers of MEAG Luxembourg S.à r.l. has adopted a remuneration policy that promotes goal and result-oriented work, is consistent with sound and effective risk management and seeks to ensure that conflicts of interests and incentives that could negatively affect the Management Company or the investment funds it manages are avoided. It is in line with the Management Company's risk strategy and the objectives of the investment funds it manages. The remuneration concept aims to foster employee performance and motivation. It should be free of discrimination for all employees and meet the regulatory requirements.

The remuneration policy and practices of the Management Company apply to all employees of MEAG Luxembourg S.à r.l., including the members of the Board of Managers, senior management, risk takers, employees with control functions and employees who, due to their total compensation, have the same level of income as senior management and risk takers whose activities constitute a material factor for the risk profile of the Management Company or the investment funds it manages.

The Board of Managers, the senior management and the employees with control functions are identified as risk takers on the basis of the organisational structure and process, the structures of the Management Company, and its internal governance structures. This means that all control functions are represented and the Board of Managers takes the decisions that influence the risk profile of the Management Company.

The Management Company applies the principles of the remuneration policy in accordance with the following proportionality principles:

- the size of the Management Company,
- the internal organisation of the Management Company,
- the nature, scope and complexity of its business activities.

The remuneration policy and practices include fixed and variable salary components, voluntary retirement benefits and other benefits for all employees, although these other benefits are significantly underweighted in relation to the fixed and variable components.

Where performance-based remuneration applies, the total remuneration is based on an assessment of the employee's individual performance, the performance and risks of his/her department or investment funds, and the overall result of the Management Company. When assessing individual performance, financial and non-financial criteria are taken into account.

The fixed and variable components of the total remuneration stand in a fair and equitable proportion to one another, with the fixed component of the total remuneration being sufficient to provide enough flexibility for the variable component, including the possibility to waive the payment of a variable component.

Employees who are paid outside the company tariff structure have an individual annual performance bonus. How much that bonus can be depends mainly on the position held and how challenging the goals are.

For senior management, the variable remuneration contains a short-term (annual performance bonus) and a medium-term component (3-year performance bonus). In order to cater for long-term decisions and successes, part of the performance-based remuneration is based on an assessment period of several years, which is deferred over time in Munich Re shares.

In addition to the person's individual performance, the extent to which the Management Company and the company group as a whole achieve their goals is also of decisive importance when determining how high the bonuses should be. Partial amounts from the multi-year performance bonus are invested in Munich Re shares with a two-year vesting period. This bonus component is therefore dependent, among other things, on the performance of the Munich Re share.

The variable remuneration component can also be completely waived in the event of a lack of performance or financial difficulties of the Management Company. The variable remuneration may be reclaimed if, retrospectively, it turns out that the relevant business activities were based on fraudulent or similar criminal relevant behaviour. No guaranteed bonuses or compensations are provided for.

When applying the principle of proportionality, the Management Company applies a materiality threshold of EUR 100,000 per employee in its remuneration policy, under consideration of its size, the volume of the assets it manages, its internal organization and the nature, scale and complexity of its operations. If the variable remuneration for the past financial year falls below this threshold, the variable remuneration is paid in the form of a cash payment.

Remuneration Committee

MEAG Luxembourg S.à r.l. has no Remuneration Committee.

The Board of Managers is responsible for the remuneration policy as part of its supervisory function. It reviews the appropriateness of compensation system at least once a year and is responsible for the implementation and monitoring.

The remuneration policy is available from the Management Company on request.