

# Description of the Remuneration Policy

DATE: 09 March 2021

# Remuneration Policy

Effective: 09 March 2021

## Allianz Capital Partners GmbH

Description of the Remuneration Policy according to the AIFM-Directive of the European Union (Directive 2011/61/EU of the European Parliament and of the council of 8 June 2011 on Alternative Investment Fund Managers) (“AIFMD”).

This includes a description of the calculation methods for remuneration and benefits awarded to certain groups of employees, as well as details of the persons responsible for. On request, the information will be made available by the Company in hard copy without charge.

### Remuneration Governance

ACP is subject to regulatory remuneration requirements regarding the organization of the remuneration system of employees and members of the management board.

Company management is usually responsible for decision-making about employee remuneration, whereas, decisions about the remuneration of management itself are taken by the shareholder.

The Supervisory Board evaluates on an annual basis whether the remuneration system is compliant with the regulatory requirements and is responsible for reviewing the remuneration system for senior officers in the risk management and compliance function.

Working in close cooperation with the Risk Management and Legal & Compliance departments as well as with external advisors and in conjunction with management, the Human Resources department has developed the company’s remuneration policy. This remuneration policy applies to the company domiciled in Germany and to its branches.

### Compensation at ACP

The primary components of monetary remuneration are the base salary, which typically reflects the scope, responsibilities and experience required in a particular role, and an annual discretionary variable compensation award.

The size of the company-wide pool for variable remuneration will depend on the company’s business performance, risk position, and will, therefore, vary every year. The distribution of specific amounts to individual employees will depend on the performance of the employees and their teams during the relevant period under review.

Variable remuneration includes an annual cash bonus that pays out after the end of the performance year and a deferred component for all members of staff whose variable remuneration exceeds a certain threshold. Deferred awards vest after a period of three years.

Deferral rates increase in line with the amount of variable remuneration. Half of the deferral is tied to the performance of the company and the other half is invested into funds. The amounts ultimately distributed depend on the company's business performance or the performance of certain investment funds over several years.

In addition, the deferred remuneration components may be withheld under the terms of the plan.

The level of pay awarded to employees is tied to both quantitative and qualitative performance indicators. Quantitative indicators are aligned around measurable goals. Qualitative indicators take into account actions reflecting our core values of excellence, passion, integrity and respect. Such indicators also comprise the absence of significant regulatory breaches or deviations from compliance and risk standards including ACP's sustainability risk management policy.

For employees identified by the Company as staff engaged in Control Functions (e.g. Risk Management, Compliance), the goals depend primarily on function-specific goals of the control units (generally on the level of the individual and/or organizational criterion).

### **Remuneration requirements for Identified Staff**

The following groups of employees were identified as risk takers: members of management board, employees in control functions, and all employees whose activities have a significant impact on the risk profile of the company and the investment funds managed by it (as identified in current organizational charts and job profiles and as assessed in terms of the influence on the risk profile). In 2020, there were no risk takers with comparable compensation because at the point of assessment, the remuneration for the regulated business was still insignificant in relative and absolute terms.

Employees classified as risk takers are subject to additional standards relating to performance management, the form of variable compensation, and the timing of payments. More specifically:

- When assessing individual performance, qualitative as well as quantitative criteria shall be considered.
- Taking into account the position or responsibilities held by the staff member, goals need to be a combination of individual goals, business unit concerned goals as well as company-wide goals.
- At least one goal needs to be determined on the basis of a multi-year time frame, with three years as the desired length of measurement.
- Staff engaged in control functions need to have objectives linked to their functions, which are independent of the performance of the company.

For the performance year 2020, specific requirements for risk takers relating to the form of variable compensation and timing of payments, have been dis-applied based on the principle of proportionality as ACP's regulated business was still insignificant in relative and absolute terms.

The application of the AIFMD remuneration rules will be assessed for each performance year.