Information on the current remuneration policy of Raiffeisen KAG

The remuneration guidelines issued by Raiffeisen KAG ("Remuneration Guidelines") form the binding framework for implementing the requirements for the remuneration policy and practices set forth in § 17a to 17c InvFG and § 11 AIFMG and Appendix 2 to § 11 AIFMG.

In accordance with the legal requirements, the Remuneration Guidelines specifically contain detailed regulations relating to the general remuneration policy, including rules on the appropriate determination of fixed and variable remuneration components and voluntary old-age pension components, and on the design and measurement for the "bonus pool", rules on the allocation and payment of variable remuneration and the assessment of performance, as well as special rules for employees with control functions.

Furthermore, the Remuneration Guidelines contain requirements for the selection of "identified staff1" in the sense of § 17a InvFG and § 11 AIFMG ("Identified Staff") and special rules relating to their remuneration, in particular in relation to the entitlement to, payment of and risk adjustment for variable remuneration components.

General remuneration principles

The Remuneration Guidelines specifically call for the application of the following remuneration principles to the remuneration of all employees of Raiffeisen KAG (including the management):

- The remuneration policy shall comply with the business strategy, objectives, values, and interests of Raiffeisen KAG and the investment funds which it manages and the shareholders of these investment funds, in particular via the application of risk relevant performance indicators and important cultural competences.
- The remuneration principles shall contain measures for the prevention of conflicts of interest.
- The Remuneration Guidelines shall ensure that the remuneration policy and practices are compatible with solid, effective risk management and promote such management; they shall neither encourage risk-taking which is incompatible with the risk profiles or terms and conditions of the investment funds which it manages nor hinder Raiffeisen KAG in acting in the best interests of the investment funds; in particular this shall be ensured by way of performance indicators and management processes (e.g. using the performance management process).
- A performance-based functional structure shall be a key element of remuneration; above and beyond this, special regulations shall apply for identified staff.

- Remuneration shall be both competitive, financeable, and appropriate, and be determined against the standards of the relative value of the professional activity, the market value, and market practices.
- We promote the development, satisfaction, and loyalty of our employees by offering them financial stability and concentrating performance management on the professional development of our employees.
- In respect of overall remuneration, the fixed and variable components (insofar as such are applicable) shall be in an appropriate relationship, which should allow all employees to lead a suitable life based on the fixed income; a flexible policy in relation to the variable remuneration components should be possible without limitation and it should also be possible to completely forego granting variable remuneration, while ensuring adequate financial security for employees.
- Variable remuneration can consist of:
  - Annual bonus,
  - Other forms of variable remuneration.
- The total amount of variable remuneration shall not limit the ability of Raiffeisen KAG to improve its capital adequacy.
- All variable remuneration programmes shall contain rules for threshold values and upper limits.
- Variable remuneration shall not be paid using instruments or procedures which enable circumvention of legal requirements and/or the Remuneration Guidelines.
- Performance shall be the basis for all variable remuneration programmes and shall take into consideration:
  - the performance of the individual employee/unit (including compliance with the Code of Conduct of the RBI Group and the Group Framework for Compliance),
  - the performance of Raiffeisen KAG,
  - the costs of risks, liquidity, and capital.
- Individual performance is the outcome of the results achieved and behaviours / abilities on the basis of both quantitative and qualitative indicators, which are assessed taking into account financial and non-financial criteria within the process of performance management.
- The performance of Raiffeisen KAG is the outcome of the results achieved on the basis of quantitative measures, based on defined performance indicators.
- Optimisation of the remuneration and performance management system shall result in even stronger concentration on high quality and long-term relationships with our customers.
- Independently of the business areas that they control, employees with control functions must have adequate powers and be remunerated in accordance with the achievement of the goals related to their duties, independently of the performance of

business areas which they control. The ratio of fixed to variable remuneration should be weighted in favour of fixed remuneration.

- Guaranteed variable remuneration is not in line with solid risk management or the principle of performance-oriented remuneration and should not be part of the future remuneration system; as an exception, guaranteed variable remuneration can be granted upon hiring new employees, if such is limited to their first year of employment and Raiffeisen KAG has a solid, sufficient level of capital adequacy.
- Payments related to the early termination of a contract shall reflect long-term performance and be designed in a way that does not reward failure.

Calculation of remuneration and other emoluments

The fixed and variable portions of remuneration are determined on the basis of the Remuneration Guidelines.

Based on the corporate values and a framework of clear, shared conditions, Raiffeisen KAG operates a systematic, structured, differentiated and incentivised remuneration system. Employees' remuneration consists of fixed salary components, along with variable salary components for some positions. Remuneration, in particular variable salary components (insofar as such are applicable), is oriented to an objective organisational structure (job grades).

The compensation packages are determined on the basis of constant market comparison and depending on local remuneration practices. The objective is to retain employees in the company over the long term and at the same time to promote their performance and development within the framework of a management or professional career.

At Raiffeisen KAG, the base salary (fixed remuneration) is non-discretionary compensation, which is not related to the performance of the company (operational result) or the individual (individual achievement of targets). It primary reflects the relevant professional experience and organisational responsibilities, as set forth in the job description of the employee as part of the conditions for employment.

The fixed remuneration is determined on the basis of the market value, the individual qualifications and the position held at Raiffeisen KAG. Raiffeisen KAG applies all normal instruments of remuneration management (e.g. domestic and foreign remuneration studies, salary bands, grading of positions).

The variable salary is based on the achievement of corporate and performance targets, which are determined and reviewed within the framework of a performance management process. The employee's targets are derived from the strategic corporate goals, the objectives of the organisational unit or department, and their function. The target agreements and the determination of the employee's target achievement (= performance) occur within the framework of annual Employee Meetings (MBO system).

The target structure at Raiffeisen KAG distinguishes on the one hand between qualitative targets (such as individual targets or unit and department targets) and on the other hand

quantitative targets (such as performance and return objectives, and quantifiable project targets). Furthermore, all managers have management targets. In the core areas (sales and fund management) there are also additional quantitative and multi-year targets.

Special remuneration principles for identified staff

For each business year, the persons belonging to the group of identified staff are determined in accordance with the legal guidelines.

The variable remuneration allocated to members of identified staff for a business year is not paid out in full, as at least 40% of the amount (or 60% in cases in which the variable remuneration component reaches a particularly high amount) is deferred over a period of three to five years in accordance with § 17c InvFG and Appendix 2 to § 11 AIFMG.

A significant portion, amounting to at least 50% of the variable remuneration component, consists of an appropriate ratio of shares in an investment fund managed by Raiffeisen KAG. The instruments in question are subject to a waiting period, which is intended to bring the incentives in line with the interests of the asset management company and the interests of the shareholders.

The variable remuneration for identified staff employees, including the deferred portions, is only paid out if this is sustainable according to the financial situation of Raiffeisen KAG as a hole, and justified according to the performance of the business unit, the investment fund and the individual concerned; otherwise, a reduction or complete cancellation is called for on the basis of the guidelines and the corresponding malus and clawback agreements.

At Raiffeisen KAG, the variable component may not exceed 100% of the fixed remuneration component for an individual employee classified as identified staff.

It is forbidden for employees of Raiffeisen KAG to use any kind of personal hedging strategies or insurance related to remuneration and liability in order to circumvent the orientation towards risk behaviour which is set forth in the Remuneration Guidelines.

Persons responsible for allocation of remuneration and other emoluments

The Supervisory Board of Raiffeisen KAG approves the general principles of the remuneration policy (Remuneration Guidelines) which are established by the Compensation Committee, regularly reviews such, and is responsible for the implementation and monitoring of such in this area. The Compensation Committee is responsible for directly reviewing the remuneration of senior management in the field of risk management and in compliance functions.

The remuneration of the Management of Raiffeisen KAG is determined by the Supervisory Board.