

# REMUNERATION POLICY

**Summary:** This document represents Seilern International AG (SIAG)'s Remuneration

**Policy Owner:** SIAG Chief Executive Officer / Compliance

**Effective Date:** 1 January 2022

**Approved by:** SIAG Board of Directors on May 22<sup>nd</sup>, 2025

## Revision log

Version	Date of approval	Reviewed by	Changes vs previous version
V 1.0	December 2021	Zeidler and BoD	N/A
V 1.1	August 9 <sup>th</sup> , 2022	Zeidler, SIAG Management Board and BoD	Integration of Sustainability Risk wording
V 1.2	February 28 <sup>th</sup> , 2023	SIAG Management Board and BoD	Review 2023
V 1.3	March 7 <sup>th</sup> , 2024	SIAG Management Board and BoD	Review 2024
V 1.4	May 22 <sup>nd</sup> , 2025	Zeidler, SIAG Management Board and BoD	Review 2025

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## 1. Relevant Regulatory Rules

- Article 20a-20c of the Law of June 28th, 2011 concerning specific undertakings for collective investment in transferrable securities (“**UCITSG**”)
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (commonly known as the Sustainable Finance Disclosure Regulation or “**SFDR**”)
- Commission Delegated Directive (EU) 2021/1270 on integration of sustainability risks in the management of UCITS and
- The European Securities and Markets Authority guidelines on sound remuneration policies under the UCITS Directive and AIFMD – ESMA/2016/575 (“**ESMA Guidelines**”).

## 2. Overview and Objectives

SIAG has adopted a Remuneration Policy in accordance with the UCITSG and the ESMA Guidelines.

The purpose of this policy is to describe the remuneration principles and practices within SIAG and for such principles and practices:

- to be consistent with, and promote, sound and effective risk management;
- to be in line with the business strategy, objectives, values and interests of SIAG;
- not to encourage excessive risk-taking;
- to provide a framework for remuneration to attract, motivate and retain staff; and
- to ensure that any relevant conflicts of interest can be managed appropriately at all times.

This policy applies to those employees of SIAG, whose professional activities have a material impact on the risk profile of SIAG or of SIF and so covers: (i) senior management; (ii) risk takers; (iii) control functions; and (iv) any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of SIAG (“**Identified Staff**”).

UCITS management companies and self-managed investment companies that are significant in terms of their size or of the size of the funds they manage, their internal organisation and the nature, the scope and the complexity of their activities are required to establish a remuneration committee. In view of the size of the assets under management and the same time the non-complex nature of SIAG’s internal structure and its activities, it is considered appropriate for SIAG to have a remuneration committee and one has been established (“**Remuneration Committee**”).

The Remuneration Committee and the Board of Directors are responsible for the remuneration policy of SIAG and determining the remuneration of all applicable individuals. The Board of

Directors and the Remuneration Committee consider that their members have appropriate expertise in risk management and remuneration to perform this review. Where a periodic review reveals that the remuneration system does not operate as intended or prescribed, the Board of Directors and the Remuneration Committee shall ensure that a timely remedial plan is put in place.

### 3. Alignment of Remuneration and Risk Taking

SIAG applies the UCITS remuneration principles proportionately, considering its size, structure, and the nature of its activities. SIAG's remuneration practices are designed to align with the firm's long-term interests, ensure sound risk management and avoid excessive risk-taking. In this context, the following remuneration and benefits may be paid to employees:

- a) *Fixed Salary* – The staff and managing directors (Geschäftsleiter) receive a fixed annual fee which is competitive based on the individual powers, tasks, expertise and responsibilities. Each managing director's performance is subject to annual review by the Board of Directors.
- b) *Variable Remuneration* – The managing directors and staff of SIAG may be eligible for variable remuneration based upon performance. Following an assessment by SIAG this approach is considered to be appropriate to the size, internal organisation and the nature, scope and complexity of its activities. Variable remuneration shall be determined as follows:
  - i. Prior to signing an employment contract with a new employee, the Remuneration Committee shall determine the maximum annual discretionary bonus that the employee may be eligible for. This will typically be referenced as a percentage of the annual fixed salary and will be dependent on the nature of the employee's role, including considerations such as: their level of seniority, duties, expertise and responsibilities; the extent to which their function could be negatively incentivised by the prospect of variable remuneration; and whether their role constitutes a key audit or control function (which will typically lead to lower maximum discretionary bonus levels). Upon determination of such maximum annual bonus level by the Remuneration Committee, this figure will be included in the terms of the employee's employment contract.
  - ii. The Remuneration Committee shall then conduct an annual bonus review and allocate discretionary bonuses to all eligible employees taking into account in particular the following factors:
    - The maximum discretionary bonus level set out in each eligible employee's employment contract;
    - The annual financial performance of the company (not applicable to key control functions);
    - The performance of the individual employee in the execution of their

duties and responsibilities, including their adherence to SIAG's Policy and Compliance Manual;

- For **control functions** (Risk and Compliance), fixed remuneration constitutes the majority of total pay, with any variable component being limited, based on role-specific performance, and not linked to the firm's commercial results - preserving functional independence in line with UCITS guidelines. In order to address the conflict of those in compliance, control, internal audit or risk management functions at SIAG shall be compensated in accordance with the achievement of the objectives linked to their control functions, independent of the performance of the business area to which the control functions relate.

iii. Where Identified Staff members are also shareholders of SIAG, any dividends received in their capacity as shareholders are structured so as not to encourage excessive risk-taking. Payment of dividends is not linked to the performance of the Fund.

- c) *Expenses* – The managing directors and staff will be reimbursed all reasonable, validly incurred, duly authorised and documented business expenses.
- d) *Other Benefits* – SIAG may from time to time provide additional benefits to the managing directors and staff other than those referred to in this policy.
- e) *Pension* – The managing directors and staff will be entitled to pension contributions in accordance with applicable legal requirements and further contributions subject to additional discretion by the Board of Directors.
- f) *Notice of termination and severance pay* – The maximum notice period in any employment or engagement shall be determined by the appropriate legal agreement and be in line with applicable laws and regulations.

SIAG has delegated the investment management function to Seilern Investment Management Limited (the “**Delegate Manager**” or the “**Investment Manager**”) and so SIAG must ensure that:

- i. the Delegate Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the UCITSG and the ESMA guidelines;
- ii. the Delegate Manager adopts remuneration policies and procedures which are consistent with integration of sustainability risks which are an inherent part of the investment decision-making process;
- iii. appropriate contractual arrangements are put in place with the Delegate Manager in order to ensure that there is no circumvention of the remuneration rules set out in the UCITSG and the ESMA Guidelines. These contractual arrangements should cover any payments made to the Delegate Manager's identified staff as compensation for the performance of investment management activities on behalf of SIAG.

In line with the applicable regulatory requirements, SIAG retains responsibility for overseeing the remuneration framework of the Delegate Manager. SIAG has reviewed the Investment Manager's remuneration policy and confirms that it promotes sound and effective risk management, discourages excessive risk-taking (including ESG-related risks) and is aligned with SIM's business strategy, values, and long-term goals. SIAG conducts this review on a periodic basis to ensure continued alignment with its oversight responsibilities.

#### 4. Integration of Sustainability Risks

Article 5 of SFDR requires that financial market participants such as SIAG include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks. Article 5 also requires publication of this information on the website.

A "Sustainability Risk", as defined in Article 2(22) of SFDR, is: *"an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment"*.

Variable remuneration is aimed at aligning the employees' incentives with the long-term interests of the Funds and promotes a sound and effective risk management culture. Variable remuneration of SIAG's Identified Staff is measured against specific performance criteria related to, amongst other things, risk and compliance.

In cooperation with the Delegate Manager, SIAG is committed to integration of ESG considerations in investment processes and investment risk management framework. Considering the delegation of the investment management function to the Delegate Manager and the very unlikely impact of variable remuneration of SIAG's Identified Staff on the risk profile of the Fund, SIAG deems that there is no risk of misalignment pertaining to integration of sustainability risks in the investment decision-making process in respect of the Fund.

To ensure compliance with the applicable regulations, SIAG reviews the Delegate Manager's remuneration policy and ensures that the existing remuneration structures do not encourage excessive risk-taking with regard to sustainability risks.

#### 5. Exclusions

Any exception to this policy shall only be considered in limited and justified circumstances. In such cases, any proposed payments must remain in full compliance with applicable laws and regulations and shall be subject to the prior approval of the Board of Directors. The rationale for any such exception must be clearly documented and retained in accordance with SIAG's record-keeping procedures.

#### 6. Review of the Policy

This Policy shall be reviewed at least annually by the Management Board and more frequently if

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required. SIAG's Board of Directors shall approve this Policy after each review.