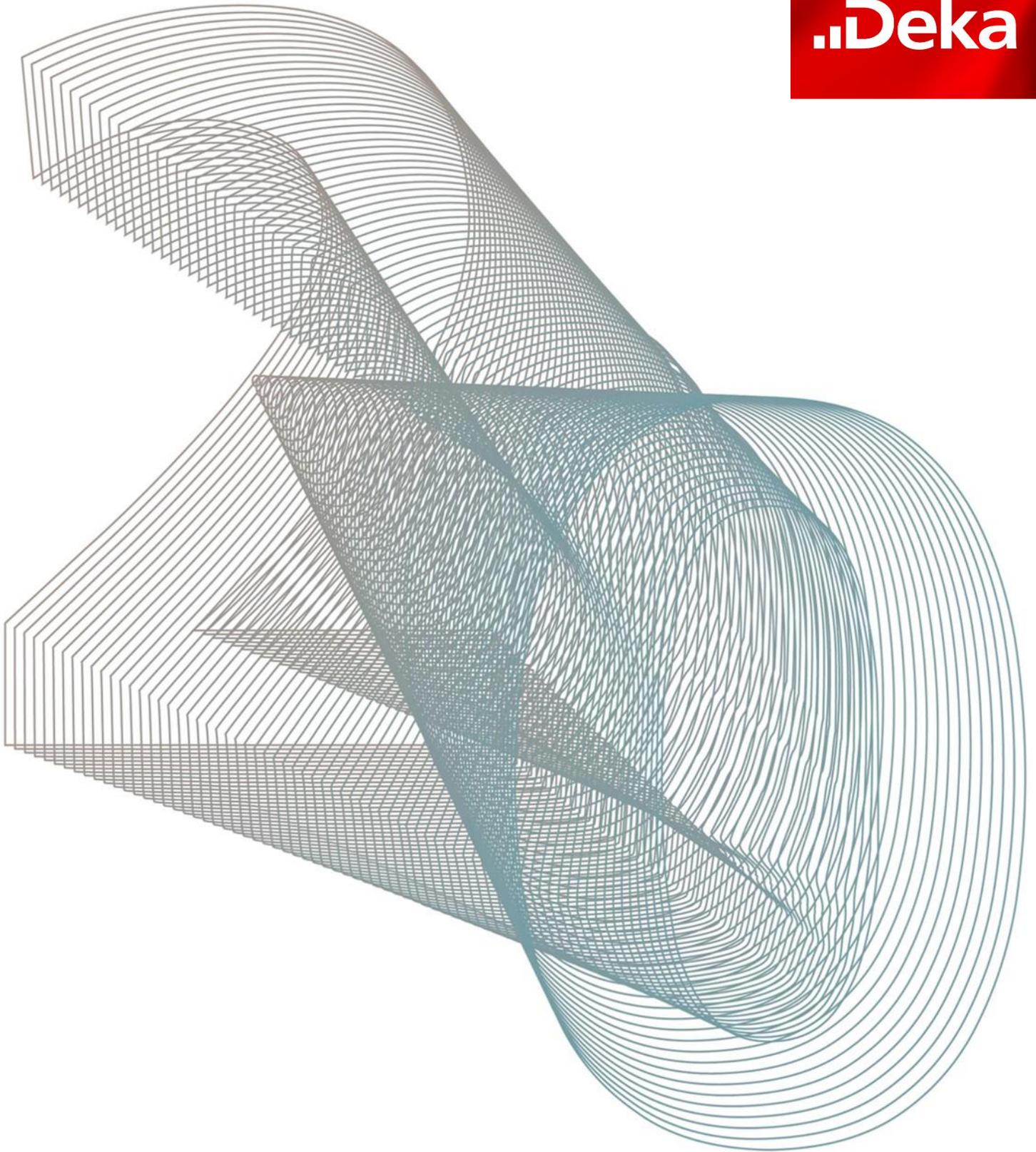


# Deka Group

## Remuneration report 2020

Publication in accordance with the German Remuneration Regulation for Institutions  
(Institutsvergütungsverordnung – InstitutsVergV)

The Deka logo consists of the word "Deka" in a white, sans-serif font, positioned on a red rectangular background. The background has a subtle, wavy texture.

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# Remuneration report for financial year 2020

## 1. Introduction and overview

This 2020 remuneration report for DekaBank Deutsche Girozentrale and its subordinate companies with employees has been prepared in accordance with § 16 paragraph 1 of the German Remuneration Regulation for Institutions (InstitutsVergV) and Art. 45 0 of Regulation (EU) No. 575/2013 and fulfils the national and European disclosure requirements for the Deka Group.

The companies recorded in the remuneration report for financial year 2020 (hereinafter collectively referred to as the **"Deka Group"**) include:

- DekaBank Deutsche Girozentrale (hereinafter referred to as **"DekaBank"**)
- DekaBank – Subsidiary Luxembourg
- Deka Investment GmbH
- Deka Immobilien Investment GmbH
- WestInvest Gesellschaft für Investmentfonds mbH
- Deka Vermögensmanagement GmbH
- Deka Vermögensmanagement – Subsidiary Luxembourg
- bevestor GmbH
- Deka International S.A. (Luxembourg)
- Deka Real Estate Services USA Inc.
- Deka Far East Pte. Ltd. (Singapore)
- Deka Real Estate International GmbH
- S Broker AG & Co. KG
- S Broker Management AG

During the 2020 financial year, there were a large number of regulatory changes relevant to the area of remuneration, which, however, had no impact on the specific structure of the Deka Group's remuneration systems for the 2020 financial year:

CRD V Directive EU 2019/878 came into force on 27 June 2019. This must be transposed into German law by 28 December 2020 at the latest. On 12 November 2020, BaFin published its draft amendment to the IVV for consultation. However, IVV 4.0 is not expected to enter into force before 1 January 2023. It will result in adjustments to the regulatory requirements, particularly with regard to the classification as a significant institution as well as the exemption limit and retention periods for the variable remuneration of risk-relevant employees.

On 18 September 2020, BaFin published a "processing status" for an update of the Interpretative Guidance on IVV 3.0. The revised interpretation aid will in particular provide more detailed guidelines for remuneration-relevant internal processes, such as for the determination of the bonus pool and for decision-making in the Remuneration Control Committee. In addition, a further revision of the Interpretative Guidance is to be expected at the latest when the IVV 4.0 comes into force (see above).

Following the conclusion of the public consultation process in January 2021, the European Banking Authority (EBA) will shortly publish the revised guidelines on sound remuneration policies under Directive 2013/36/EU. The revised draft implements the changes introduced by CRD V, including on remuneration policies in a group context, gender equality, proportionality for smaller institutions and requirements for retention premiums.

In the course of 2021, there will also be changes to the rules on the identification of risk takers. The EBA has recast the regulatory technical standards (RTS) (EBA/RTS/2020/05) and a new delegated regulation will be published by the Commission. The new rules are expected to lead to an expansion of the group of risk takers.

The EBA Guidelines on Loan Origination and Monitoring of 29.05.2020 contain requirements for the calculation of performance-related remuneration for staff involved in loan approval. This is to depend on meaningful credit quality metrics, which institutions are to integrate into a remuneration framework in line with the institution-specific risk appetite.

# Remuneration report for financial year 2020

On 5 December 2019, Regulation (EU) 2019/2033 on prudential requirements for investment firms (IFR) and Directive (EU) 2019/2034 on the supervision of investment firms (IFD) were published. The IFD provides for remuneration rules for investment firms that are basically modelled on the remuneration regulation under CRD, but contain facilitations for certain investment firms. The EBA has published a draft regulatory technical standard (RTS) for the identification of risk takers in investment firms for consultation. This contains simplified criteria for the identification of risk takers adapted to the needs of investment firms.

In accordance with Article 434a of Regulation (EU) No 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (CRR), the EBA has developed the Implementing Technical Standard on Disclosure Requirements of 24 June 2020 (ITS). The ITS are applicable from 28 June 2021 and set out uniform disclosure formats and instructions for the remuneration disclosures required under the Capital Requirements Regulation (CRR). DekaBank will implement these accordingly.

On 27 November 2020, the European Central Bank (ECB) published its guidance on climate and environmental risks, describing its expectations on how institutions should appropriately manage climate and environment-related risks and how these risks should be disclosed transparently under the current regulatory framework. In 2021, DekaBank must carry out a self-assessment in this regard and develop action plans. This will include ensuring that DekaBank's remuneration systems promote behaviours that are consistent with its approach to climate and environmental risks.

In accordance with the Sustainable Finance Disclosure Regulation (SFDR), which came into force on 9 December 2019, financial market participants and financial advisers are required to disclose, as part of their remuneration policy, the extent to which it is consistent with the inclusion of sustainability risks and to publish this information on their websites. This information must also be included in the remuneration policy.

As of March 2021, the various Environmental Social Governance (ESG) directives or regulations will be introduced in the member states. According to these, affected companies must determine, among other things, how these criteria are integrated into the organisation. Direct effects on remuneration structures are not expected. However, ESG criteria are included as an additional factor in the portfolio assessment of asset managers, for example, and can therefore have positive or negative effects on the performance of the instrument and thus indirectly on the remuneration of the portfolio manager, among others.

It was not necessary to adjust the Deka Group's remuneration systems for the 2020 financial year as a result of these regulatory changes.

We would like to point out that the figures in Sections 5.1, 5.2 and 5.3 of this remuneration report are no longer comparable with the figures in the remuneration reports prior to 2018. As since the 2018 financial year, the concept of remuneration in accordance with § 2 paragraph 1 sentence 1 InstitutsVergV includes all financial benefits and benefits in kind, irrespective of their nature, received by an employee in respect of his professional activities at the institution.

# Remuneration report for financial year 2020

## 2. Remuneration philosophy and principles

The Deka Group remuneration philosophy is to use attractive, incentive-based remuneration systems to help achieve the strategic goals of the Deka Group while providing incentives for employees to adopt a responsible, risk-aware, client-oriented approach in business<sup>1</sup>. At the same time, it is designed to achieve an increase in value for our shareholders. This creates a profit-driven corporate culture that rewards the individual performance and strengths of employees with attractive remuneration. It is aimed at motivating our employees to fully exploit their individual potential. In this manner, the interests of management and employees are reconciled with those of shareholders, while ensuring that regulatory requirements are fulfilled.

Key factors of the Deka Group remuneration philosophy include the sustainability and risk-orientation of remuneration systems. These aspects have become increasingly important in recent years, partly because of a greater level of regulation and increased complexity in the regulatory environment.

The following basic principles have been derived from this remuneration philosophy to structure Deka Group remuneration systems. The remuneration systems generally:

- take into account Deka Group profitability as well as risk and capital costs,
- secure the sustained future performance and earnings power of the Deka Group,
- promote long-term employee thinking and responsible conduct,
- offer Deka Group employees an attractive and competitive incentive system,
- ensure remuneration that is in line with profits and performance while offering an appropriate ratio of fixed to variable remuneration elements,
- prevent incentives for employees to take on excessive risk positions,
- support the future recruitment and long-term loyalty of highly qualified and talented employees,
- provide the basis for appropriate differentiation across areas and responsibilities with regard to the amount of remuneration,
- avoid unnecessary complexity and are designed to be transparent and intelligible,
- are aligned with the Deka Group's strategies, and
- do not adversely affect the monitoring functions of the monitoring units.

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<sup>1</sup> Insofar as only the generic masculine form is used below for reasons of better linguistic comprehensibility, this refers equally to all persons (f/m/d).

# Remuneration report for financial year 2020

## 3. Compensation governance

In accordance with regulatory requirements, DekaBank established a Remuneration Control Committee in the Administrative Board and appointed a Remuneration Officer.

In addition, the Management Committee for Remuneration (MCR), as a Group-wide remuneration committee in accordance with § 27 paragraph 3 InstitutsVergV and § 37 KAGB in combination with section 55 of the ESMA Guidelines on Sound Remuneration Policies taking into account the AIFM Directive of 3 July 2013 and Art. 14b of Directive 2014/91/EU (UCITS V), assumes certain supervisory responsibilities for the management companies in the Deka Group and other responsibilities assigned to it within the Deka Group.

### 3.1. Remuneration Control Committee

The Remuneration Control Committee is a committee of the DekaBank Administrative Board. It has 9 members, including the Chairman of the Administrative Board, who also chairs the Remuneration Control Committee, and an advisory member.

The Remuneration Control Committee fulfils the responsibilities it is assigned under § 15 InstitutsVergV, § 25 paragraph 12 of the German Banking Act (Kreditwesengesetz – KWG), namely:

- preparatory work for resolutions by the General and Nomination Committee / Administrative Board on setting the total amount of variable remuneration (§ 45 paragraph 2 no. 10 KWG) for the Board of Management in accordance with § 7 InstitutsVergV,
  - preparatory work for resolutions by the General and Nomination Committee / Administrative Board for the determination of appropriate compensation parameters, performance contributions, performance and retention periods and the prerequisites for a complete loss or a partial reduction of the variable compensation of the Board of Management or a reclaim of variable compensation components already paid,
  - regular (at least annual) review of whether the items set by resolutions above are still appropriate,
  - providing assistance and advice to the Board of Management for monitoring whether employee remuneration systems are appropriately structured and monitoring the process of identifying risk-relevant employees, in particular the regular (at least annual) review of whether
    - (i) the total amount of variable remuneration was calculated in accordance with § 7 InstitutsVergV,
    - (ii) the principles established for determining remuneration parameters, performance contributions and payment and deferral periods, including the requirements for a complete loss or partial reduction in variable remuneration, are appropriate, and
    - (iii) the remuneration systems for employees in the monitoring units satisfy the requirements of the InstitutsVergV
- and
- assessing the effects the remuneration systems have on the Deka Groups' risk, capital and liquidity situation and ensuring that the remuneration systems are aligned with the business strategy, the risk strategies based on it, and the remuneration strategy of the Deka Group.

In the 2020 financial year, four regular meetings of the Remuneration Control Committee took place.

### 3.2. Remuneration Officer

The Remuneration Officer and Deputy Remuneration Officer are appointed by the DekaBank Board of Management. Due to familiarity with the subject matter and specialised knowledge, necessary involvement in the ongoing processes of the remuneration systems and available personnel and resources, an employee in the Human Resources area is generally appointed Remuneration Officer, while ensuring that no conflicts of interest exist in accordance with § 23 paragraph 4 InstitutsVergV. The head of Risk Controlling is generally appointed Deputy Remuneration Officer. Both have appropriate personnel resources to assist them in their activities.

# Remuneration report for financial year 2020

The Remuneration Officer fulfils the responsibilities he is assigned under § 24 InstitutsVergV, namely:

- monitoring the appropriateness of DekaBank remuneration systems, both with respect to new and improved conceptual developments as well as day-to-day application of the remuneration systems,
- providing assistance and advice to the Board of Management and Remuneration Control Committee in their responsibilities to monitor and structure remuneration systems,
- providing information to and working in close coordination with the chairman of the Remuneration Control Committee,
- preparing a report on the appropriateness of the structure of Deka Group remuneration systems at least once a year (Remuneration Control Report) and submitting this report to the DekaBank Board of Management, Administrative Board and Remuneration Control Committee, as well as the responsible bodies in subsidiaries.

### 3.3. Management Committee for Remuneration

The MCR works in close coordination with the DekaBank Remuneration Officer and DekaBank Remuneration Control Committee (§ 25d paragraph 12 KWG, § 15 InstitutsVergV). It appropriately involves relevant functional areas (e.g. Risk Controlling, Compliance and Internal Audit) in accordance with § 3 paragraph 3 InstitutsVergV when fulfilling its responsibilities.

The MCR's responsibilities include:

- providing assistance and advice to the Board of Management and responsible bodies in the subsidiaries for all remuneration-relevant matters, in particular for implementing the requirements for Group-wide remuneration governance and establishing the Group-wide remuneration strategy,
- providing assistance and advice to the DekaBank Remuneration Officer and DekaBank Remuneration Control Committee for fulfilling the above responsibilities (see above), in particular for preparing remuneration reports and fulfilling legal reporting and disclosure requirements related to remuneration systems,
- preparatory work for resolutions by the Board of Management on setting the total amount of variable remuneration (§ 45 paragraph 2 no. 10 KWG) for employees in accordance with § 7 InstitutsVergV and preparatory work for the review by the Remuneration Control Committee, and
- monitoring the appropriateness of, and new and improved conceptual developments for the remuneration systems of the Deka Group companies concerned as part of its function as the remuneration committee for the domestic and Luxembourg management companies of the Deka Group.

The MCR meets regularly at least twice every financial year. Additional meetings can be called if needed.

The MCR had the following members during the reporting period:

- Chair: Head of Human Resources,
- Representatives from the monitoring units: Head of Risk Control, Head of Credit Risk Office, Head of Compliance, Head of Risk Control Capital Market Funds,
- Representatives from business origination units: COO Asset Management Real Estate, COO Banking divisions & Depository,
- Representatives from other areas (in an advisory role): Head of Internal Audit, Head of Finance, COO Asset Management Securities.

This composition takes account of the appropriate involvement of the control units in the design and monitoring of the remuneration systems required by § 3 paragraph 3 InstitutsVergV.

# Remuneration report for financial year 2020

## 4. Structure of remuneration systems

### 4.1. General remuneration structure in the Deka Group

The remuneration structure generally applies throughout the Deka Group, unless otherwise specified below.

Remuneration comprises all financial consideration employees receive in respect of their job in the Deka Group. As a rule, employee remuneration includes fixed and variable remuneration components. In addition, employees receive monetary and non-monetary fringe benefits, which are to be classified as variable remuneration for regulatory purposes unless they are clearly fixed remuneration within the meaning of § 2 paragraph 6 InstitutsVergV.

- The **fixed remuneration** as defined in § 2 paragraph 6 InstitutsVergV comprises the employee's monthly basic salary including bonuses. The monthly salaries of collective agreement employees are based on the salary brackets of the collective agreement for the private banking industry and public banks (currently 13 months' salary). The monthly salaries of non-collective agreement employees are set by individual agreements.
- **Variable remuneration** is all non-fixed remuneration (§ 2 paragraph 3 InstitutsVergV). It may, for example, be the annual bonus for a financial year and other special payments (e.g. project-related bonuses). As part of the performance-related bonus system, a "guideline bonus" is agreed with employees as a variable target amount for the financial year concerned. This forms the basis for determining the annual bonus that depends on the achievement of contributions to performance.
- **Fringe benefits** comprise all other normal market benefits, e.g. meal/canteen allowance, capital-building payments and the company pension plan. In addition, collective agreement employees receive benefits as stipulated in the collective pay agreement. Furthermore, company cars are made available to employees in certain roles in accordance with the applicable guidelines.

In accordance with § 25a paragraph 5 KWG, a maximum upper limit applies to the total variable remuneration for all employees of institutions<sup>2</sup> and other subsidiaries<sup>3</sup> of the Deka Group. This may not exceed 100 per cent of the fixed remuneration for each individual employee or manager. DekaBank has not made use of the option to increase the upper limit to 200 per cent of the fixed remuneration for each individual employee or manager by means of a shareholder resolution in accordance with § 25a paragraph 5 sentence 5 KWG.

In accordance with the ESMA Guidelines of 3 July 2013, AIFM Directive and UCITS Directive, the management companies of the Deka Group are subject to a maximum upper limit for total variable remuneration equal to 200 per cent of the fixed remuneration for each individual employee or manager.

When structuring the remuneration systems, a distinction is made between the following groups of employees in view of separate legal provisions and remuneration policy-based aims and targets:

- Board of Management<sup>4</sup>,
- Risk-relevant employees (as defined below),
- Other employees (non risk-relevant employees).

The specific features of the remuneration systems for risk-relevant employees and the Board of Management are described in detail in sections 4.4 and 4.5.

<sup>2</sup> The Deka Group institutions referred to here are DekaBank Deutsche Girozentrale.

<sup>3</sup> Companies that are not currently directly subject to any regulatory requirements.

<sup>4</sup> The General and Nomination Committee of the Administrative Board approves and regularly reviews the remuneration of Board of Management members. It specifies the remuneration system and variable remuneration for the Board of Management after consultation with the Remuneration Control Committee.

# Remuneration report for financial year 2020

## 4.2. Information on remuneration-relevant parameters

When assessing the amount of the individual variable compensation, the employee appraisal has a central function.

During the appraisal interview, the individual goals are agreed at the beginning of the fiscal year. These must be aligned with the business and risk strategy of the Deka Group. When setting individual goals, it is taken into account that the goals are "smart" (specific, measurable, challenging, realistic, timed), make an effective and sustainable contribution to achieving the company's goals, and do not provide incentives to take disproportionately high risks. The agreements basically include both qualitative and quantitative objectives. In doing so, concrete characteristics for the respective degree of achievement of objectives are defined.

Employees in the area of responsibility of the Personnel/Works Council of the Deka Group are subject to a corresponding service/operating agreement, which specifies the details.

## 4.3. Information on the bonus pool and success criteria

At the end of each financial year, the Executive Board (or the Board of Directors for the Executive Board) sets a bonus pool for the employees. This takes place in a formalized, transparent and comprehensible process within the meaning of § 45 paragraph 2 no. 10 KWG. When determining the bonus pool, the Executive Board takes into account the risk-bearing capacity, the multi-year capital planning and the earnings position of DekaBank in accordance with § 7 InstitutsVergV and ensures that DekaBank's ability to permanently maintain or restore the combined capital buffer requirements within the meaning of § 10 i KWG. The total bonus pool is broken down based on defined parameters and the budget is allocated for distribution to each department.

Within this budget, a variable remuneration can then be granted on an individual level depending on the degree of target achievement within the target corridor. The specific degree of goal achievement is determined by the respective executive (or the responsible committee). In principle, with 100% target achievement and appropriate budgeting, the variable compensation corresponds to the amount of the individual orientation bonus, unless an adjustment (for example due to a reduced bonus pool) is necessary. The Deka Group's consolidated earnings account for 40% and the individual components for 60% in the calculation. Important discretionary considerations are, in addition to the concrete achievement of objectives, the balance between performance and consideration in general, taking into account the marketability of compensation and the behavior of the employee. In particular, the existence of any negative profit contributions or misconduct may lead to a partial reduction or complete cancellation of the variable remuneration.

## 4.4. Remuneration system for risk-relevant employees

§§ 18-22 of the InstitutsVergV and § 37 paragraph 1 KAGB impose special requirements on the structuring of the remuneration system for risk carriers within the meaning of section 2(8) sentence 1 of the Institutional Insurance Contract Act and employees whose professional activities have a significant effect on the overall risk profile of DekaBank, one of the investment management companies in the Deka Group or the funds they manage and for group risk carriers within the meaning of § 2 paragraph 8 Sentence 2 InstitutsVergV whose professional activities have a significant impact on the overall risk profile of the Deka Group ("**risk-relevant employees**").

### 4.4.1. Identifying employees whose roles are risk-relevant

DekaBank identifies the risk-relevant employees in the Deka Group at company and Group level each year in accordance with applicable regulatory requirements, in particular the regulatory technical standards specified in Delegated Regulation No. 604/2014. The analysis process includes all non-collective agreement employees and is performed at the end of each year to identify the risk-relevant employees for the following year. The process is reviewed annually by the MCR. Changes and adjustments must be approved by the DekaBank Board of Management.

Risk-relevant DekaBank employees were identified using the qualitative and quantitative criteria in Delegated Regulation No. 604/2014. The qualitative criteria are based on the formal function of a risk-relevant employee. Employees who satisfy one of these criteria must be classified as risk-relevant. The quantitative criteria are based on total remuneration. The results of the quantitative analysis are checked using a score card procedure.

# Remuneration report for financial year 2020

Risk-relevant employees in the management companies are identified using a multi-step process that takes into account both quantitative and qualitative key indicators and criteria. In this process, particular consideration was given to the extent to which each employee is in a position to create risk positions for a capital management company or funds managed by it or the Deka Group based on their specific roles and decision-making powers as a whole. The results of the analysis were checked at a qualitative level, using a score card procedure (qualitative validation).

As a rule, employees who are classified as risk-relevant for only part of a financial year are treated as risk-relevant employees for the full financial year in question with respect to the structuring of their variable remuneration.

For financial year 2020, a total of **190** employees across the Deka Group (excluding the Board of Management, excluding intra-year classifications, including S Broker) were classified as risk-relevant. Of these, **152** employees are risk-relevant employees at Group level. The remuneration regulations applicable to risk-relevant employees of DekaBank apply to these employees.

## **4.4.2. Sustainability and performance-related structuring of remuneration**

The variable remuneration of risk-relevant employees is generally performance-related, i.e., the amount is determined on the basis of the achievement of individual employee targets and the targets of the division and the Deka Group. A negative deviation from the agreed targets or negative profit contributions within the meaning of § 18 paragraph 5 sentence 3 InstitutsVergV must lead to a partial or complete reduction in the variable remuneration for the financial year in question (ex-ante risk adjustment). In particular, negative profit contributions may arise in the event of conduct that has led to considerable losses for DekaBank or a significant regulatory sanction, or in the event of a serious breach of relevant external or internal rules of suitability and conduct.

For risk-relevant employees of DekaBank who report directly to the Board of Management (area management and board of management members of subsidiaries), or whose total variable remuneration exceeds EUR 500 thousand, it is mandatory to defer 60 per cent of variable remuneration for period of up to five years. The deferred share is 40 per cent of variable remuneration for risk-relevant employees below the level of area head and risk-relevant employees of management companies and other subsidiaries below the board of management level for a period of up to three years.

The deferred share of the remuneration is risk-based during the deferral period, i.e., in the event of subsequently identified negative deviations from the agreed targets of the employee, business area or the Deka Group as a whole, it may be reduced or might not be paid at all (malus clause). The deferred share is vested pro rata temporis. Vested tranches are no longer subject to the malus clause. In addition, pursuant to § 20 paragraph 6 InstitutsVergV, the variable remuneration already earned or already paid out for the relevant assessment period can be reclaimed retroactively (clawback) in the event of negative profit contributions within the meaning of § 18 paragraph 5 sentence 3 of the InstitutsVergV. The use of malus and clawback instruments ensures ex-post risk adjustment of the variable remuneration.

A share of at least 50 per cent of both the deferred and non-deferred variable remuneration is granted in the form of instruments (performance units), which depend on the sustainable performance of Deka Group and are subject to the risk adjustment described above.

The deferred (sustainable) components of variable compensation consequently consist of a cash portion ("cash deferral"), which is paid when vested, and a share granted in the form of performance units ("long-term PU"), which is subject to a further blocking period of one year after vesting.

Accordingly, the non-deferred component of compensation consists of a cash portion ("cash bonus"), which is paid when due, and a portion granted in the form of performance units ("short-term PU"), which are also subject to a blocking period of one year after granting.

Risk-relevant employees of institutions and other subsidiaries of the Deka Group whose variable remuneration for financial year 2020 is less than EUR 50,000 receive their variable remuneration fully paid out in cash.

# Remuneration report for financial year 2020

The remuneration system for risk-relevant employees of the domestic management companies of the Deka Group generally corresponds to the remuneration model above (with the exception of the clawback rule applicable only to risk carriers in accordance with the InstitutsVergV). In particular, a sustainable instrument based on the performance of the management company and the funds managed by the division was also introduced for risk-relevant employees of the management companies. A threshold of EUR 75,000 applies to risk-relevant employees of domestic management companies of the Deka Group.

Where non-risk relevant non-collective agreement employees and collective agreement employees receive performance-related variable remuneration in accordance with the provisions applicable to them, the full amount is paid in cash when due and is not deferred.

Total variable remuneration is therefore divided as follows depending on the employee category:

	Cash bonus	Short-term PU	Cash deferral	Long-term PU
Risk-relevant employees at the area management/board of management level (base amount > EUR 50,000 <sup>5</sup> )	20%	20%	30%	30%
Risk-relevant employees (base amount > EUR 50,000 <sup>6</sup> )	30%	30%	20%	20%
Non-risk relevant, non-collective agreement employees	100%	./.	./.	./.
Collective agreement employees	100%	./.	./.	./.

## 4.5. Remuneration system for the Board of Management

The remuneration system for members of the DekaBank Board of Management essentially corresponds to the remuneration system described above for risk-relevant employees under the InstitutsVergV and is in accordance with DekaBank remuneration principles. The specific details of the remuneration system for the Board of Management are specified by the General and Nomination Committee of DekaBank Administrative Board in accordance with regulatory requirements and in consultation with the Remuneration Control Committee.

## 4.6. Remuneration system for S Broker AG & Co KG and S Broker Management AG

Sparkassen Broker ("S Broker") is a wholly owned subsidiary of DekaBank. To fulfil the disclosure requirements at the consolidated level in accordance with § 16 in conjunction with § 27 paragraph 1 InstitutsVergV, S Broker is included in the Deka Group remuneration report.

All of the company's employees are employees of S Broker AG & Co. KG, except for the board of management and their assistants. They are employees of S Broker Management AG, which is wholly owned by S Broker AG & Co. KG.

As a rule, the remuneration of the employees of S Broker AG & Co. KG and the board of management assistants includes fixed and variable remuneration elements. Employees also receive non-monetary fringe benefits that are to be classified as variable remuneration for regulatory purposes unless they are clearly fixed remuneration within the meaning of § 2 paragraph 6 InstitutsVergV.

- The **fixed remuneration** as defined in § 2 paragraph 6 of the InstitutsVergV comprises the employee's monthly basic salary. The annual fixed salary consists of twelve salary payments. S Broker is not subject to a collective agreement. Salaries are individually negotiated in accordance with the market.
- **Variable remuneration** is all non-fixed remuneration (§ 2 paragraph 3 InstitutsVergV). It may, for example, be the annual bonus for a financial year and other special payments (e.g. project-related bonuses). Every employee has a variable share set by their employment agreement. This forms the basis for determining the annual bonus that depends on the achievement of contributions to performance.
- The **fringe benefits** include benefits like cafeteria subsidies.

<sup>5</sup> A base amount > EUR 75,000 applies to risk-relevant employees of domestic management companies in the Deka Group.

<sup>6</sup> See footnote 5.

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In accordance with § 25a paragraph 5 KWG, a maximum upper limit applies to the total variable remuneration for all employees. This may not exceed 100 per cent of the fixed remuneration for each individual employee or manager. S Broker has not made use of the option to increase the upper limit to 200 per cent of the fixed remuneration for each individual employee or manager by means of a shareholder resolution in accordance with § 25a paragraph 5 sentence 5 KWG.

When structuring the remuneration systems, a distinction is made between the following groups of employees in view of separate legal provisions and remuneration policy-based aims and targets:

- Board of Management
- Risk-relevant employees
- Other employees (non risk-relevant employees)

In the course of an analysis of the classification as an important institution in accordance with the InstitutsVergV for the 2018 financial year, the S Broker was classified as insignificant in coordination with the competent supervisory authority. In line with the regulatory requirements for the 2020 financial year, no risk-relevant employees were therefore identified at company level. Risk-relevant employees were determined exclusively at Group level (for details see section 4.4.1.).

The remuneration system for members of the S Broker board of management generally corresponds to the remuneration system for risk-relevant employees of DekaBank specified in the InstitutsVergV.

## **4.7. Remuneration systems in international subsidiaries**

### **4.7.1. Luxembourg**

The remuneration system for employees of the subsidiaries in Luxembourg corresponds to the Group-wide remuneration system. As a dependent branch of DekaBank, DekaBank Deutsche Girozentrale Luxembourg Branch is subject to German law. Circulars 10/437 and 14/585 of the CSSF (Commission de Surveillance du Secteur Financier) apply to the Luxembourg capital management companies. The remuneration system is in line with these.

As risk-relevant employees have been identified in the Luxembourg subsidiaries for financial year 2020, the models of deferred payment for risk-relevant employees described in section 4.4.2. above apply. A threshold of EUR 100,000 also applies to the Luxembourg investment management companies, i.e. variable remuneration is not deferred unless the base amount is greater than EUR 100,000.

### **4.7.2. Other countries**

The regulatory provisions of each country concerning the structure of remuneration systems are generally taken into account. In DekaBank branches, representative offices and regional offices, the German regulatory requirements are also implemented on the basis of the Group-wide remuneration system.

# Remuneration report for financial year 2020

## 5. Disclosure

### 5.1. Total figures by business area

The total remuneration for financial year 2020 shown below in accordance with Art. 450 paragraph 1 lit. g) of Regulation (EU) 575/2013 for employees and officers<sup>7</sup> of the Deka Group includes the fixed remuneration for 2020 as well as the total variable remuneration for financial year 2020 (including deferred amounts).

Composition of remuneration for 2020<sup>8</sup>:

In EUR	Corporate Centres	Sparkasse Sales & Marketing	Institutional Clients Sales	Real Estate	Securities	AM Services	Capital Markets	Financing	Board of Management	Total
Total remuneration	175,797,607	66,169,710	18,992,776	53,748,672	59,176,364	43,038,255	17,758,099	14,829,595	7,266,619	456,777,696
■ of which fixed remuneration	155,659,830	57,829,481	14,837,205	46,737,999	48,288,938	38,375,648	12,331,513	11,453,141	5,326,619	390,840,373
■ of which variable remuneration	20,137,777	8,340,229	4,155,570	7,010,674	10,887,426	4,662,607	5,426,586	3,376,454	1,940,000	65,937,323
Number of people	2,048	620	136	576	496	567	95	107	6	4,651
Differences may occur due to rounding.										

### 5.2. Total figures for risk-relevant employees

The table below shows the total remuneration for risk-relevant employees of the Deka Group, including members of the DekaBank Board of Management, for financial year 2020 in accordance with Art. 450 paragraph 1 lit. h) of Regulation (EU) 575/2013. The total remuneration shown includes the fixed remuneration for 2020 as well as the probable total variable remuneration for financial year 2020 (100% including all deferred amounts). In accordance with data protection law and § 16 paragraph 4 sentence 5 of the InstitutsVergV, aggregate amounts are shown for Institutional Client Sales and the Securities business division.

<sup>7</sup> Information relating to board of management members of subsidiaries is not shown separately but on an aggregated basis for each division.

<sup>8</sup> Data as at May 2021 for the period 01/01/2020 – 31/12/2020.

# Remuneration report for financial year 2020

Composition of remuneration for 2020<sup>9</sup>:

In EUR	Corporate Centres	Sparkasse Sales & Marketing	Real Estate	Securities + Institutional Client Sales	AM Services	Capital Markets	Financings	Board of Management	Total
<b>Total remuneration</b>	17,208,914	3,619,503	4,502,528	6,795,460	1,902,913	14,787,387	2,366,742	7,266,619	58,450,066
■ of which fixed remuneration	13,141,544	2,501,503	3,316,787	4,826,562	1,364,288	10,004,995	1,650,539	5,326,619	42,132,835
■ of which variable remuneration	4,067,371	1,118,000	1,185,741	1,968,898	538,625	4,782,392	716,204	1,940,000	16,317,230
Number of risk-relevant people	70	8	14	18	6	71	8	6	201
<b>Bonus payments in 2020</b>	4,059,692	1,118,000	1,158,742	1,968,898	398,000	4,782,392	716,204	1,940,000	16,141,926
of which deferred remuneration	2,457,746	447,200	732,118	1,054,151	225,200	3,197,236	390,122	776,000	9,279,773
■ Cash bonus	1,745,036	223,600	589,910	626,308	167,600	2,083,365	215,061	388,000	6,038,880
■ Short-term performance units	712,710	223,600	142,208	427,843	57,600	1,113,871	175,061	388,000	3,240,893
of which amounts deferred	1,601,946	670,800	426,623	914,747	172,800	1,585,156	326,082	1,164,000	6,862,154
■ Cash deferral	800,973	335,400	213,312	457,374	86,400	792,578	163,041	582,000	3,431,077
■ Long-term performance units	800,973	335,400	213,312	457,374	86,400	792,578	163,041	582,000	3,431,077
of which subject to the malus rule	1,601,946	670,800	426,623	914,747	172,800	1,585,156	326,082	1,164,000	6,862,154
<b>Deferred remuneration</b>	8,766,591	3,365,800	2,033,403	4,591,168	698,800	8,849,641	1,424,468	5,623,695	35,353,566
of which vested as at 31/12/2020	849,162	297,200	195,627	426,978	54,800	998,801	123,662	490,155	3,436,385
of which not vested as at 31/12/2020	6,147,888	2,432,400	1,506,850	3,245,266	526,400	5,851,382	1,055,592	4,098,450	24,864,228
of which paid in 2020	1,769,540	636,200	330,927	918,925	117,600	1,999,457	245,214	1,035,090	7,052,953
Reduction due to malus and clawback rule	0	0	0	0	0	0	0	0	0

Differences may occur due to rounding.

<sup>9</sup> Data as at May 2021 for the period 01/01/2020 – 31/12/2020.

# Remuneration report for financial year 2020

Statement of the (i) guaranteed bonuses individually guaranteed in financial year 2020 as part of the start of new employment ("**guaranteed bonuses**") and (ii) severance payments made for termination of employment ("**severance**") in accordance with Art. 450 paragraph 1 lit. h) of Regulation (EU) 575/2013:

In EUR	Corporate Centres/ Sparkasse Sales & Marketing	Securities / AM Services/ Real Estate	Capital Markets / Financing	Board of Management	Total
<b>Guaranteed bonuses in 2020</b>	-	-	-	-	-
No. of beneficiaries	-	-	-	-	-
<b>Severance payments in 2020</b>	168,000	140,625	333,000	-	641,625
of which paid in 2020	-	140,625	-	-	140,625
No. of beneficiaries	-	1	-	-	1
of which granted in 2020 <sup>10</sup>	168,000	-	333,000	-	501,000
No. of beneficiaries	2	-	2	-	4
Highest severance payment made	96,000	-	189,000	-	189,000

### 5.3. Disclosure of „high earners“

In financial year 2020, there were four individuals in the Deka Group whose remuneration was disclosed in accordance with Art. 450 paragraph 1 lit. i) Regulation (EU) 575/2013 and amounted to EUR 1 million or more in the financial year. Of these, two are in the remuneration bracket between EUR 1 million and EUR 1.5 million. Two persons are in the remuneration bracket between EUR 1.5 million and EUR 2 million.

### 5.4. Disclosure of Administrative Board and Board of Directors remuneration

Administrative Board and Board of Directors remuneration must be disclosed in accordance with § 25d paragraph 5 of the German Banking Act (Kreditwesengesetz – KWG) in conjunction with Art. 450 of Regulation (EU) No. 575/2013. The remuneration received by members of the DekaBank Administrative Board in financial year 2020 is disclosed in the respective annual report in the section titled "Board remuneration", and is therefore not disclosed here.

DekaBank  
Deutsche Girozentrale



Dr. Georg Stocker



Birgit Dietl-Benzin



Dr. Matthias Danne



Daniel Kapffer



Torsten Knapmeyer



Martin K. Müller

Frankfurt am Main, 25/05/2021

<sup>10</sup> All severance payments promised in 2020, but not yet paid out.

# Remuneration report for financial year 2020

## Glossary

### Data basis per financial year

- All Deka Group companies with staff numbers.
- All employees (incl. Board of Management) who were employed in the financial year under review and received remuneration for the financial year (incl. departures during the year); excluding apprentices, trainees, students, interns, graduates and early retirees.
- The fixed salary is calculated on a monthly basis; it is not extrapolated for the entire year.
- Remuneration data are shown retrospectively as actual data (inflow principle) and are not standardised to 100% working hours.
- The figures in sections 5.1, 5.2 and 5.3 of this remuneration report are no longer comparable with the figures in the remuneration reports prior to 2018, as since the 2018 financial year the concept of remuneration pursuant to § Since the 2018 financial year, the term "remuneration" as defined in Article 2 para. 1 sentence 1 of the Remuneration Ordinance (IVV) includes all financial benefits and benefits in kind of any kind that an employee receives in connection with his or her professional activities for the Institute.

### Summarised disclosures by business division

Table 5.1 (p. 13)

Total remuneration	Total fixed and variable remuneration
■ of which fixed remuneration	Fixed remuneration, in particular: Basic salary and fixed allowances as well as significant fringe benefits (company pension scheme, annual leasing rate of company cars, AG expenses for childcare places)
■ of which variable remuneration	Variable remuneration, in particular: Bonus, special payments, retention payments and severance payments
Number of people	Number of employees incl. employees joining and leaving during the year

# Remuneration report for financial year 2020

## Summarised disclosures for risk-relevant employees

Table 5.2 (p. 14)

<b>Total remuneration</b>	Total fixed and variable remuneration
■ of which fixed remuneration	Fixed remuneration, in particular: Basic salary and fixed allowances as well as significant fringe benefits (company pension scheme, annual leasing rate of company cars, AG expenses for childcare places)
■ of which variable remuneration	Variable remuneration, in particular: Bonus, special payments, retention payments and severance payments
Number of risk-relevant people	Number of all risk-relevant employees (RRMA) incl. entries and exits during the year
<b>Bonus payments in 2020</b>	Total amount of bonuses granted to risk-relevant employees for the FY
of which deferred remuneration	Total cash bonuses and short-term performance units granted for the FY for all RRMA
■ Cash bonus	Total cash bonuses granted for the FY for all RRMA
■ Short-term performance units	Total short-term performance units granted for the FY for all RRMA
of which amounts deferred	Total deferral bars and long-term performance units granted for the FY for all RRMA
■ Cash deferral	Total deferral bars granted for the FY for all RRMA
■ Long-term performance units	Total long-term performance units granted for the FY for all RRMA
of which subject to the malus rule	Total deferral bars and long-term performance units granted for the FY for all RRMA
<b>Deferred remuneration</b>	Total deferred deferral bars and long-term performance units for all RRMA
of which vested as at 31/12/2020	Total vested long-term performance units as at 31.12. of the FY for all RRMA
of which not vested as at 31/12/2020	Total of all vested deferral bars and long-term performance units as at 31 December of the FY for all RRMA
of which paid in 2020	Total of all Deferral Bars and Long-Term Performance Units paid out in the FY for all RRMA
Reduction due to malus and clawback rule	Total amount of deferral and non-deferral components reduced due to the malus rule for the FY or clawed back due to the clawback rule for all RRMA

# Remuneration report for financial year 2020

Table 5.2 (p. 15)

<b>Guaranteed bonuses in 2020</b>	Total amount of guarantee bonuses for RRMA's
No. of beneficiaries	Number of RRMA with guarantee bonuses
<b>Severance payments in 2020</b>	Total amount of settlements for RRMA's
of which paid in 2020	Total amount of severance payments paid out for RRMA in the FY
No. of beneficiaries	Number of RRMA's that received severance pay in the FY
of which granted in 2020	Total amount of severance payments granted to RRMA's in the FY
No. of beneficiaries	Number of RRMA's granted severance pay in the FY
Highest severance payment made	Amount of the highest settlement granted to RRMA in the FY



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 **Finanzgruppe**