



# BILD-KUNST

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Legal society by state award

Main Office Frankfurt am Main

## Fundamentals of the Investment Policy and Risk Management of VG Bild-Kunst

Version according to the decision of the Membership Assembly on 29 July 2017

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#### Preliminary Notes

By exercising the rights assigned to it, VG Bild-Kunst generates receipts. The sum of these receipts constitutes the “capital assets” of VG Bild-Kunst.

For the purposes of this directive, capital assets are liquid funds that are available for short to medium term investments in the capital market.

#### Principles of the investment policy

The following criteria apply to the safekeeping and investment of capital assets in the order specified:

1. eligibility of trust / low risk,
2. availability, and
3. capital maintenance / interest rate

The legal requirements are to be observed.

#### Eligibility of trust or low risk

The capital assets are to be stored or invested in a gilt-edged manner with the greatest possible exclusion of risks. The investment in speculative products is excluded.

#### Availability

The safekeeping and investment of capital assets must be carried out in such a way that the obligations

of VG Bild-Kunst, in particular with respect to those entitled to payout, can be fulfilled in full within a reasonable period of time.

#### Capital maintenance / interest rate

Amongst the various types of safekeeping and forms of investment that satisfy the eligibility of trust and availability, the one with the highest interest rate must be chosen.

#### Risk management

All investments, accounts and deposits must be in the name of VG Bild-Kunst. The use of the name of a director or any other person or entity is prohibited.

The Board carries out a risk assessment and decides on the measures to be taken. If necessary, but at least every six months, the managing director needs to present an overview of current investments to the Board. The overview must include at least information about the type of investment, the criteria of the investment policy and the duration.

The Board regularly reports to the Administrative Council and the Membership Assembly about the type and scope of investments.

#### Entry into force

The directive comes into force on the decision of the Membership Assembly on 29 July 2017.