

COLUMBIA THREADNEEDLE INVESTMENTS REMUNERATION POLICY FOR UCITS V COMPLIANCE

Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies. In the EMEA region, Threadneedle Asset Management Holdings Srl (the “Company”) is the holding company for the legal entities through which the region operates, including companies regulated by the UK’s Financial Services Authority and other overseas financial services regulators.

Columbia Threadneedle’s remuneration policies and practices are an integral part of arrangements that support our work, culture and commitment to serving our clients and end customers (the ultimate beneficiaries of the funds we manage). Built around our Values, they reflect and embrace the ethical, regulatory and best practice standards expected of an organisation that operates a fiduciary business holding assets in trust for our clients and customers. Our aim is to effectively align our interests with the interests of our clients and this applies to all aspects of our operations and activities.

This document outlines the Remuneration Principles we apply and the governance arrangements by which they are implemented and overseen.

Our Remuneration Principles

Our remuneration policies and practices are based upon those of our parent company, Ameriprise Financial, Inc., and are consistent with applicable regulatory requirements including UCITS, AIFMD and MiFID. We are in the process of integrating the provisions of UCITS V into our policies and practices to ensure they continue to satisfy regulatory requirements and continue to reflect the standards and values we expect.

Note:

UCITS Remuneration Code Staff comprise senior management, risk takers, staff engaged in control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, provided that their professional activities have a material impact on the risk profile of the UCITS or UCITS Manager. Code Staff or Identified Staff are similarly defined and identified in respect of other remuneration regulations.

The remuneration requirements of the UCITS Directive apply to the first full performance year commencing after the coming into force of UCITS V on 18 March 2016, which commences on 1 January 2017.

We aspire to more than just regulatory compliance and regard our remuneration policies as integral to the successful management of our business. We seek to ensure our approach is relevant to and aligned with our business strategy, objectives and Values as well as the funds we manage (including UCITS funds) and the interests of the investors in those funds. We believe it is important that our remuneration approach and focus appropriately reflect the nature, size, structure and scope of our activities, to ensure the arrangements work effectively and are aligned with the best interests of our clients.

Given the role we play for our clients, promotion of sound and effective risk management is an important characteristic of our policy and the way it is reviewed and developed. This aims to ensure it does not induce imprudent risk taking or impair the safety and soundness of our activities and our business. For the same reasons, our policy is designed to avoid conflicts of interest being created or incentivising conflicts of interest or other behaviour that would breach our Values or commitment to clients. Employees are prohibited from using personal hedging or insurance to offset the risk-alignment features of our remuneration arrangements and programmes.

In addition, the performance appraisal process that drives decision-making for incentive remuneration for employees in Control Functions (Internal Audit, Risk and Compliance) is determined solely by evaluating the achievement of objectives and results for these functions, independent of business performance. The overall pool available for incentive remuneration, which includes the control functions, is correlated to business performance.

Talent retention is critical to our ability to achieve excellence in order to deliver and maintain the outcomes our clients expect. Our approach to remuneration needs to provide the opportunity for reward that is competitive in the market in which we operate, in order to attract and retain key talent. However, we also expect it to create effective and appropriate alignment of interest with our clients and our business. Deferral of appropriate and meaningful proportions of incentive pay, which ensures effective and ongoing alignment with our clients and long-term business objectives, is an important component of this. .

Remuneration Process and Procedures

We believe in the importance of appropriate and effective governance arrangements. The Board of Managers (the “Board”) of Threadneedle Asset Management Holdings Sàrl (“TAMH Sàrl”) has overall responsibility for these governance arrangements, and has established a sub-committee of the Board to act as our Remuneration Committee (the “Committee”) to provide oversight on remuneration matters and to develop and agree the remuneration principles outlined here. This Committee consists of (at least) three individuals, all of whom are independent Non- Executive Directors of TAMH Sàrl. The Board has appointed members to the Committee who are qualified to carry out its responsibilities and will exercise competent and independent judgement in carrying out its duties on behalf of the Board. The Chair is appointed by the TAMH Sàrl Board.

The Committee’s responsibilities include ensuring remuneration decisions properly reflect the importance of delivering the standards and requirements set in respect of robust risk management, and the avoidance or robust management of conflicts of interest in all aspects of our operations and activities particularly including the design and operation of the Company’s remuneration programmes. The Committee has in place and relies on the Company’s Personal Account Dealing Code and internal controls to ensure that employees do not use personal hedging strategies or attempt to secure liability-related insurance in relation to any aspect of the remuneration programmes.

The Committee oversees the remuneration of Heads of the Control Functions and reviews the performance and remuneration decisions for Control Function staff to ensure they are adequately remunerated for their performance. It also oversees and approves remuneration

recommendations for Code Staff or other equivalent categories or employees across its various jurisdictions, to ensure that remuneration is appropriate and adheres to our remuneration principles.

Remuneration Arrangements

Set out below is an explanation of the key remuneration arrangements we have adopted. The arrangements are consistent with sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds we manage.

Total Remuneration Framework

The Company has a full and complete set of remuneration programmes that make up its total remuneration framework. Through benchmarking and regular design reviews, the Committee ensures that these programmes are both competitive and aligned with our Remuneration Principles. The Committee also reviews the policy at least annually and undertakes a regular, independent internal review of its implementation and compliance with regulatory requirements.

Incentive award payments are only made through remuneration programmes approved by the Committee. The Committee will not authorise vehicles or methods or payment that allow or risk circumvention of the policy, or of the regulatory requirements in force in the jurisdictions in which the Company operates, in particular those of the FCA and CSSF. Employees will not be eligible to receive an incentive award if they are deemed not to have met the Company's standards of performance and conduct. For the avoidance of doubt, this includes any disciplinary action taken as a result of major failures of risk control or compliance with regulatory requirements.

This framework has an appropriate and balanced mix of fixed and variable remuneration, and incorporates a deferral element for selected employees in key management or business unit roles. Following is a description of each of the key elements that make up the framework and applicable policies.

Salary: The most basic element of total remuneration at the Company is the salary programme for employees. The Company is committed to ensuring that:

- salaries remain competitive within the labour market, by conducting an annual pay review and benchmarking salaries against other employers
- salary adjustments consider individual performance
- individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed-term contract
- workers are paid at the level of at least the national minimum wage
- each employee's salary is sufficient so that they do not need to rely on a bonus.

Total Incentive Pools and Awards: The purpose of the Total Incentive Pools is to fund discretionary incentive awards for all eligible employees. Incentive awards are based on Company performance across a range of business metrics, derived from the respective

division's performance against its key business objectives, as well as on overall Company performance including profitability and overall business objectives, appropriate risk management and control, and the overall performance of Ameriprise Financial, the global organisation of which the Company is a part. This comprehensive range of factors is reflective of the requirements of the UK BIPRU Remuneration Code and other regulation, in particular AIFMD and UCITS V. Assessments of investment performance to determine the pools are set in a multi-year framework, in line with the longer-term nature of products and client objectives. The incentive pools and subsequent awards to individuals may be adjusted to take account of current and future risks.

Individual Awards: All permanent employees are eligible to participate in the Company's incentive scheme. The incentive performance year runs from 1 January to 31 December, with investment performance measured from 1 October to 30 September. The incentive pools are reviewed by members of the Committee and senior executives of Ameriprise Financial: those pools determine the total amount available for distribution via individual discretionary incentive awards under the scheme. Incentive awards are discretionary and fully flexible, with the option to pay no incentive award if required. Awards are made according to the individual employee's performance against their stated performance goals and against the Company's Values, with reference to market remuneration levels for comparable roles, internal comparators and the funding available for Total Incentive awards. Awards are also influenced by the employee's adherence to and delivery of the Company's risk and regulatory compliance responsibilities.

Long Term Incentive Awards ("LTIA"): The purpose of the LTIA programme is to provide a deferred incentive opportunity to selected staff that incentivises key talent to continue their employment at the firm on a long-term basis, and to provide long-term alignment of interests with clients, customers and shareholders. LTIA's are awarded as a proportion of the Total Incentive award to each individual employee, unless separate awards are approved for joiners or other exceptional reasons.

Termination Payments: Where payments are made to departing employees in connection with the early termination of the employee's contract of employment, those payments are designed in a way that does not reward failure. While the Company is not obliged under the contract of employment to make any payment to the departing employee, where it does make such a payment, the payment reflects performance achieved over time. This policy applies to all employees, but does not form part of any employee's contract of employment.

Cash and Deferred Awards

Incentive awards due immediately and not deferred are normally paid in cash, but may be delivered in other instruments as required from time to time by Company practice or by regulatory requirement, either company-wide or applied to specific individuals. Incentive deferral rates and periods for Code Staff and Identified Staff comply with the deferral requirements of the regulation applicable to their roles; incentive deferral is also applied to senior and higher-paid employees outside this group as a matter of good practice. Deferred awards are delivered through the LTIA programme.

Long Term Incentive Award Vehicles

LTIAAs are awarded through the Ameriprise Financial Restricted Stock Unit (RSU) programme for non-Investments employees other than a limited number of senior executives. Those Senior Executives receive a portion of their deferred award in Ameriprise's Non-Qualified Stock Option (NQSO) programme and the remainder in the Ameriprise Performance Cash Unit (PCU) programme. Employees in Investments receive half of their deferred award through the Threadneedle Fund Deferral Plan. All plans other than the PCU vest in three equal parts over a three-year period from grant: the PCU programme has a three-year performance period and vests only at the end of that period.

Variable remuneration will be paid to the extent it is sustainable according to the financial situation of the Company. Awards are set with reference to the financial and non-financial performance of the funds, the business unit, the enterprise as a whole and of the individual. In the event of subdued or negative financial performance, awards will be reduced accordingly.

Subject to regulatory requirements in force at the time, and taking into account all relevant factors related to the financial and non-financial performance of the funds, the business unit, the enterprise as a whole and of the individual, unvested or vested awards previously earned may also be subject to reduction through 'malus' or 'claw-back' arrangements.

Conflicts of Interest#

In line with our ethical, regulatory and fiduciary obligations we place a high priority on the interests of our clients and end customers. Conflicts of Interests have the ability to undermine the integrity and professionalism of our business. Therefore, in line with our internal policies, employees must declare all actual and potential conflicts at the earliest opportunity, for escalation to our internal Compliance function. Following identification of an actual or potential conflict, if that conflict cannot be avoided, then it must be mitigated and managed equitably in the best interests of our clients and customers. If necessary, that conflict shall be disclosed to those affected clients and customers.

Regulatory Classification

In the UK the Company is subject to the FCA BIPRU Remuneration Code and the AIFMD Remuneration Code, as well as the application of AIFMD and UCITS in the UK and other EU states and the requirements and regulations in other non-EU jurisdictions in which the Company operates.