

Remuneration Policy

Last approved by the board of directors of the Company: 14 September 2017

Last acknowledged by the conducting officers: 31 August 2017

1. Preamble

This remuneration policy (this "**Policy**") purports to fulfil the requirements of (i) Articles 111bis and 111ter of the Law of 17 December 2010 on undertakings for collective investment, as amended (the "**UCI Law**"), and (ii) the ESMA guidelines on sound remuneration policies under the UCITS Directive and the AIFM Directive (the "**ESMA Guidelines**").

Having regard to the current structure of the Company and the absence of any remuneration based on the variable income, this Policy has been considered as taking into account of the size, nature and scope of the Company's activities and the complexity of the Company. It has been approved by the board of directors of the Company (the "**Board**") on the date specified above.

This Policy and practices thereunder reflect our objectives of good corporate governance and sustained, long-term value creation for the shareholders of the funds managed by the Company. This Policy and practices thereunder also aim to promote sound and effective risk management.

2. Scope of this Policy

For the purposes of this Policy, “remuneration” consists of:

- (i) all forms of payments made or benefits provided by the Company;
- (ii) any amount paid by the UCITS itself, including performance fees; and
- (iii) any transfer of units or shares of the UCITS in exchange for professional services rendered by the Company’s Identified Staff (as defined below).

Remuneration is based on fixed remuneration (payments or benefits without consideration of any performance criteria) and may include:

- (i) monetary payments or benefits (such as cash, shares, options, cancellation of loans to staff members at dismissal, pension contributions); and
- (ii) non (directly) monetary benefits (such as discounts, fringe benefits or special allowance for car, mobile phone, etc.).

3. Identified Staff

This Policy applies to the following categories of staff (the "**Identified Staff**"), which comprise:

- Board members;
- Senior management (meaning the persons in charge of the day-to-day management of the Company i.e. the conducting officer of the Company) (the "**Conducting Officers**");
- Employees.

The Company's management currently consists of a Board comprised of five (5) Directors, who have delegated the day-to-day business to four (4) Conducting Officers, whose one of them is an employee.

4. Remuneration principles

4.1 General principles

The remuneration, if any, of all Identified Staff (to the exclusion of the members of the Board) will be fixed by the Board, on the basis of the following criteria :

- Knowledge & skills
- Learning attitude
- Risk governance
- Policies, processes & procedures follow up
- Leadership
- Accountability
- Communication internally and externally
- Adequate risk orientation
- Adequate performance management
- Challenge of management
- Strategy & objectives follow up
- Values & ethics follow up
- Interaction with other teams
- Risk competence
- Motivation

4.2 Remuneration of the Board of Directors

The remuneration of the members of the Board will be fixed by the shareholders of the Company. Four (4) of the Directors are employed by the Nikko AM Group, and one (1) Director is independent from the Nikko AM Group. The Nikko AM-related Directors are not remunerated by the Company for their positions as Board members of the Company. The other Director is independent and is remunerated by the Company and receives a fixed annual directorship fee.

The remuneration of the Board members will in no case be linked to the performance and results of the Company.

The remuneration of the Board is disclosed in aggregate in the Statement of Operations in the annual report of the Company. The nature of the remuneration may be described in a note to the annual report.

4.3 Remuneration of all Identified Staff other than the Board members.

Remuneration of the Conducting Officers

Two (2) of the Conducting Officers are independent from the Nikko AM Group and are remunerated by the Company. They receive a fixed annual fee and do not receive any remuneration other than fixed fees in respect of activities in relation to the Company (i.e. no variable component).

The third (3rd) Conducting Officer is a non-resident Nikko AM Group's employee. This person is not remunerated by the Company for its position as Conducting Officer.

The fourth (4th) Conducting Officer is a full-time employee of the Company.

Remuneration of the Company's Employees

The remuneration level of the Company's employees is sufficient to attract and retain qualified and experienced personnel and to ensure independence in the performance of their role. Any remuneration awarded by the Company is aligned with Nikko AM Group's remuneration policy which aims to promote:

- Sound and effective risk management
- Compatibility with the Company's long term business strategy
- Adequate ratio between fixed and variable pay

5. Review and implementation of this Policy

The implementation of this Policy will be reviewed on an annual basis at a minimum by the Board, which will assess whether: (i) this Policy operates as intended (in particular, (ii) all agreed plans/programs are being covered; (iii) the remuneration payouts are appropriate; (iv) the risk profile, long-term objectives and goals of the Company are adequately reflected); and (v) it is compliant with national and international regulations, principles and standards applicable to this Policy.

The compliance function, as well as, insofar as necessary, the Company's external legal adviser, will be closely involved in reviewing the remuneration system of the Company.

Based on the outcome of this review, the Board will assess whether it is necessary to amend this Policy. This assessment shall be made at least annually and each time a material change likely to affect the remuneration policy of the Company occurs.

At the occasion of his/her review, the compliance officer will ensure that:

- this Policy of the Company is consistent with and promotes sound and effective risk management, and:
 - is in line with the business strategy, objectives, values and interests of the Company,
 - does not encourage excessive risk taking as compared to the investment policy of the UCITS managed by the Company, and
 - enables the Company to align the interests of the UCITS and their investors with those of the Identified Staff that manages such UCITS, and to achieve and maintain a sound financial situation;
- the Company's overall corporate governance principles and structures, as well as their interactions with the remuneration system are considered within the design and implementation of the Company's remuneration policies and practices;
- the following elements are taken into account: the clear distinction between operating and control functions, the skills and independence requirements of members of the Board, the safeguards for preventing conflicts of interests and the internal reporting system and the related parties' transactions rules; and
- the delegates comply with section 7 of this Policy.

6. Remuneration committee

The scope, nature and complexity of the activities of the Company being limited, the Board and the conducting officers consider that no formal remuneration committee needs to be set up.

As and when the size and complexity of the Company warrants this, the Board may decide to establish a Remuneration Committee.

7. Measure in case of delegation of portfolio management or risk management activities

When delegating investment management functions (including risk management) according to Article 110 of the UCITS Law, the compliance officer, on behalf of the Company, will ensure that:

- the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under these guidelines; or
- appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines. In accordance with the guidelines, the contractual arrangements will cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of the Company.

The compliance officer will escalate any question to the Board.

Delegation arrangements

The Company has, subject to the continuous control and supervision and under the overall responsibility of the Company, appointed the entities listed below as investment managers for Nikko AM Global Umbrella Fund, Nikko AM Global Umbrella Trust & Nikko AM Global Investments (Luxembourg) sub-funds:

- Nikko Asset Management Co., Ltd., Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6242, Japan.
Nikko Asset Management Co., Ltd. is licensed to provide, among others, non-discretionary investment advisory services and discretionary investment management services in Japan and registered as investment advisor with the US Securities and Exchange Commission.
- Nikko Asset Management Asia Limited, 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961 (Business Registration No: 198202562H).
Nikko Asset Management Asia Limited holds a Capital Markets Services Licence for the regulated activity of Fund Management, Dealing in Securities and Trading in Futures Contracts issued by the Monetary Authority of Singapore.
- Nikko Asset Management Europe Ltd, 1 London Wall, London EC2Y 5AD, United Kingdom.
Nikko Asset Management Europe Ltd. is regulated by the Financial Conduct Authority in the United Kingdom.
- Nikko AM Limited, Level 26, Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia.
Nikko AM Limited holds an Australian Financial Services License 237563 that authorises it to provide general advice and investment management services to retail and wholesale client.

The Company has a) established that the delegate investment managers are subject to remuneration requirements which are equally as effective as the UCITS requirements, or b) has contractually imposed the UCITS remuneration guidelines upon the relevant managers.

Specifically, the Company is comfortable that the remuneration policies for the above investment managers ensure:

- Performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking
- Stringent governance structures for setting goals and communicating these goals to employees
- Alignment with the company business strategy, values, key priorities and long-term goals
- Alignment with the principle of protection of customers, investors and UCITS it manages ensuring prevention of conflict of interests

8. Prevention of conflicts of interest

The remuneration of the Conducting Officers has been negotiated at normal arm's length rates for the type of services provided. The structure and amount of the remunerations does not, in the opinion of the Directors, lead to any conflicts of interest other than those which are otherwise inherent in their positions with the Company. The Company has a conflicts of interest policy, and conflicts are a fixed item on the agenda of every Board meeting.

9. Disclosure

9.1 Internal disclosure

This Policy will be accessible to all staff members, which will know in advance the criteria that will be used to determine their remuneration.

9.2 External disclosure

This Policy will be accessible to regulator and other state bodies who are officially entitled to request such Policy.

The Board shall ensure that the prospectus of the Company shall contain either:

- the details of this Policy, including, but not limited to, a description of how remunerations and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, where such a committee exists; or
- a summary of this Policy and a statement to the effect that the details of this Policy, including, but not limited to, a description of how the remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

The Board shall ensure that the Key Investor Information Document for each class of shares issued by the Company shall include a statement to the effect that the details of this Policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

The Board shall ensure that the annual report of the Company shall contain such information on the remuneration payable by the Company as requested under Article 151(3) of the UCI Law.

This Policy shall be made available on the website of the Company <http://www.emea.nikkoam.com>