

A summary of the NBAMIL REMUNERATION POLICY



1. INTRODUCTION

NBAMIL is authorized by the CBI as a UCITS management company under Part 4 of the UCITS Regulations and is authorized by the CBI as an alternative investment fund manager pursuant to the AIFM Regulations. Pursuant to Regulation 7(4) of the AIFM Regulations NBAMIL is also authorised by the CBI to perform the following services:

- Individual portfolio management;
- Investment advice (to include distribution and marketing); and
- Reception and transmission of orders in relation to financial instruments.

NBAMIL is required to ensure compliance with the AIFMD remuneration requirements (in particular, Schedule 2 of the AIFM Regulations), the UCITS V Directive (in particular, the principles outlined in Article 14 of the UCITS V Directive) and the Guidelines.

Scope

This Remuneration Policy (the “**Policy**”) applies to all staff of NBAMIL, including staff of the Neuberger Berman Group (the “**NB Group**”) who provide services directly to NBAMIL.

As part of the NB Group, the Firm has taken into account and adheres to group-wide general principles, policies and practices. NBAMIL also ensures that any delegates (i.e. those entities to which investment activities have been delegated) are subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the Guidelines.

Purpose

NBAMIL is required to establish and implement a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking, i.e. a policy which is consistent with the risk profiles, management regulations or instruments of incorporation of the Funds it manages.

The Policy and subsequent measures provide principles and guidelines, which aim at ensuring that:

- The Firm’s remuneration practices are in line with the business strategy, objectives, values and interests of the Firm and the Funds or the investors of such Funds, and includes measures to avoid conflicts of interest;¹
- NBAMIL can attract, motivate, appropriately reward and retain staff of the highest calibre;
- Remuneration is determined with a view to ensuring equity and consistency across the Firm and compliance with regulations and law applicable to the context in which the Firm operates; and
- Remuneration structures do not create conflicts of interest and do not incentivise behaviour that is inconsistent with the interests of investors in any funds or products of the NB Group or the risk profile of NBAMIL or the Funds managed by NBAMIL.

Remuneration rules concern potentially all forms of remuneration consisting of:

- i. payments and benefits paid by the Firm;
- ii. any amount paid by the Funds themselves, including carried interests / portion of performance fees if any; and
- iii. any transfer of units or shares of the Funds;

in exchange for professional services rendered by the employees of the Firm.

Review

The implementation of the Policy will be subject to an internal review by the EMEA Compensation Committee, at least annually. This periodic review shall assess if the Policy:

- is operating as intended; and
- is compliant with national and international regulations, principles and standards applicable to the sector within which the Firm operates.

The outcome of the periodic review is properly followed up and presented to the NBAMIL Board.

This Policy will also be reviewed:

- should NBAMIL become subject to additional regulation, or any material changes in regulation, in respect of remuneration structures; and/or
- in the event of any material changes being made to the NB Group's remuneration policies, practices or incentive structures that would impact directly upon NBAMIL or its employees.

2. PROPORTIONALITY

This Policy and the subsequent measures have been drafted to be appropriate to NBAMIL's size, internal organisation, nature, scope and complexity of activities performed. On the basis of an analysis, the outcomes of which are reflected in Annex I, NBAMIL has determined that it can take a *proportional approach* from prescribed AIFM requirements including:

- Setting up of a remuneration committee;
- Payment of at least 50% of the variable component, in financial instruments and subsequent retention policy;
- Deferral of at least 40% of the variable part of the remuneration;
- Ex-post risk adjustment for the variable remuneration.

The Firm has decided that a deferral structure together with an ex-post risk adjustment for variable remuneration is in place for the Firm's employees.

3. **GOVERNANCE**

The governance of the remuneration principles within the Firm has different levels of responsibility:

- The NBAMIL Board
 - lays down guiding principles regarding remuneration;
 - approves this NBAMIL Remuneration Policy;
 - periodically reviews the Policy's general principles; and
 - is responsible for its implementation.
- Senior management
 - implements the Policy according to the general principles adopted by the NBAMIL Board;
 - In addition, the Neuberger Berman EMEA Compensation Committee will provide certain oversight functions.

4. **REMUNERATION STRUCTURE**

The remuneration granted to Identified Staff may consist of:

- a fixed remuneration which remunerates role, responsibilities and expertise;
- a variable component which remunerates personal performance and collective achievements.

The Firm ensures that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration.

FIXED REMUNERATION

The fixed component of the remuneration encompasses, for all staff members, the basic monthly gross salary, allowances and benefits in kind. The Firm operates a defined contribution pension arrangement. The pension arrangements are in line with the business strategy, objectives, values and long-term interests of the Firm and the funds it manages.

VARIABLE REMUNERATION

When assessing individual performance, the evaluation shall be based on financial and non-financial criteria (e.g. ethical and compliant behaviour). The appropriate mix of both criteria can vary depending on the tasks and responsibilities of the concerned individual.

The main performance objectives are defined on a multi-year basis. This approach promotes sound and effective risk management and does not encourage excessive risk taking with regards to sustainability risks or otherwise.

A review to identify relevant current and future risks, including reputational, sustainability as well as operational risks (and such risks may be identified at the level of NBAMIL, a business unit or team or an individual) is undertaken.

5. **STAFF IN CONTROL FUNCTIONS**

Staff within these functions report to and are managed by senior staff within that function, in all cases independently of the managers of the businesses in respect of which the control function is performed. Variable Remuneration for staff in Control Functions

Assessment of performance

The annual performance objectives set for staff engaged in control functions: (i) primarily relate to their performance of the relevant control functions; and (ii) do not to relate to any extent to the performance of the business areas that they control.

Performance of staff in control functions is appraised annually by reference to these objectives, and the appraisal process is undertaken independently from the business areas that they control.

Bonus pools and award process

Staff of NBAMIL in control functions are eligible to participate in a discretionary bonus scheme. Individual bonus awards to staff in control functions are determined on a discretionary basis, taking into account performance against the individual's personal objectives (which, as above, are set by reference to the performance of the control function, and do not relate to any extent to the performance of the business areas that they control). The determination of the individual bonus outcomes is subject to the process specified above, through which relevant risks can be identified and reflected.

6. NBAMIL IDENTIFIED STAFF

The following categories of staff shall then also be considered for inclusion as Identified Staff:

- (A) NBAMIL staff deemed to be senior management in respect of the relevant entity's business.
- (B) NBAMIL staff employed in control functions.
- (C) Heads of other major business lines of the NBAMIL business not otherwise represented above, including the Heads of Portfolio Management, Administration, Marketing, and HCM.
- (D) Any other staff whose professional activities either individually or collectively, as members of a group (e.g. a unit or part of a department) determined to have a material impact on the risk profiles of NBAMIL.
- (E) Any other staff whose professional activities are determined to have a material impact on NBAMIL.
- (F) Any other staff whose professional activities are determined to have a material impact on the risk profile of any Fund managed by NBAMIL.
- (G) Staff who in the prior performance period had total remuneration in the same bracket as any staff identified under the criteria above but who don't fall into one of the categories above.

The list of NBAMIL Identified Staff will be reviewed (and updated if warranted) annually

7. BUY-OUT AWARDS

Buy-out awards will only be offered to new recruits exceptionally.

8. GUARANTEED REMUNERATION

NBAMIL does not use guaranteed sign on or retention bonus arrangements as a matter of course.

9. TERMINATION

Ordinarily only individuals actively employed on the date bonuses are communicated, and who have not given notice of resignation or been notified of their employment termination before that date, are eligible

for discretionary bonuses, such that partial or pro-rata bonuses are not paid to those whose employment has terminated or who are notified that their employment is being terminated before bonuses are communicated.

10. **AVOIDING CONFLICTS OF INTEREST**

The NB Code of Conduct applies to all employees of NBAMIL. The Code of Conduct includes a section titled "Conflict of Interest". A breach of the Code of Conduct would give rise to disciplinary action being taken against the employee (and may result in his or her dismissal).

Where potential conflicts of interest of a specific nature are identified, additional policies and procedures may be established to manage such conflicts, in compliance with which will be considered in the remuneration discussion making process.

11. **PROHIBITION ON PERSONAL INVESTMENT STRATEGIES**

NBAMIL operates the "Personal Account Dealing Policy" which applies to all staff of NBAMIL. The firm may review from time to time personal account dealing records of staff of NBAMIL for the purpose of ensuring that such staff are not using personal hedging strategies.

The use of personal hedging strategies/insurance, and/or breach of the Personal Investment Policy is not permissible.

12. **DISCLOSURE**

The annual report issued by the Firm will contain at least the following information:

- The total remuneration for the financial year (split into fixed and variable remuneration) paid by the Firm to the entire Staff and number of beneficiaries and, where relevant, carried interest paid by the fund it manages;
- Aggregate amount of remuneration broken down by senior management and other Identified Staff members.

The remuneration disclosure, when possible, will report an allocation or breakdown in relation to each fund managed by the Firm and a description of how the allocation or breakdown has been performed.
