Wellington Luxembourg S.à r.l.

Remuneration Policy

WELLINGTON MANAGEMENT®

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This Policy shall be read in conjunction with the Introduction and Definitions.

STATEMENT OF POLICY

This Policy is designed to comply with the relevant regulatory requirements.

As an entity subject to prudential supervision by the CSSF, the IFM is subject to Circular CSSF 10/437 (Guidelines concerning the remuneration policies in the financial sector) that covers the general principles in relation to remuneration and implements Commission Recommendation 2009/384/EC of 30 April 2009 on the remuneration policies in the financial sector.

As a Chapter 15 ManCo, the IFM is subject to the Law of 17 December 2010 (relating to undertakings for collective investment) Article 111a, which implements remuneration requirements on Chapter 15 ManCos and Circular CSSF 18/698 Section 5.5.9.- Remuneration policy (Authorisation and organisation of investment fund managers incorporated under Luxembourg law), which implements the guidelines of the European Securities and Markets Authority ESMA/2016/575 (UCITS Remuneration Guidelines).

As an authorized AIFM, the IFM is subject to the Law of 12 July 2013 (on alternative investment fund managers) Article 12 and Annex II, which implements remuneration requirements of the AIFM Directive and Circular CSSF 18/698 Section 5.5.9.- Remuneration policy (Authorisation and organisation of investment fund managers incorporated under Luxembourg law), which implements the guidelines of the European Securities and Markets Authority ESMA/2016/579 (AIFMD Remuneration Guidelines).

Regulatory requirements also include Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). The latter requires that the IFM discloses on its website how its remuneration policy is consistent with the integration of sustainability risks and provides for, through its website, explanation of any amendments made.

The general principles of this policy were established by the board of the IFM in accordance with the point 2.17 of CSSF Circular 10/437. In the elaboration of this policy, the board took into account all the elements regarding the strategy of the IFM as well as the strategy regarding risk taking, the nature, scale and complexity of the undertaking's activities. Within the scope of its supervisory mission, the board reviews on a regular basis that appropriate policies and procedures are put in place via the yearly review of this policy and of the Remuneration Proportionality Assessment.

This Policy provides principles and guidelines aiming to ensure that:

- The IFM's remuneration policy is in line with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, management regulations or instruments of incorporation of the funds it manages;
- The IFM staff are appropriately compensated for the work performed for the IFM;
- The IFM staff are motivated to perform on the best interest of the IFM and the funds managed by the IFM; and
- The IFM complies with the regulations and laws applicable to it.

These beliefs are consistent with the remuneration principles applied throughout the Wellington Group, which manages assets for a wide range of clients and for commingled WMF Global Funds in a variety of structures and domiciles.

The Policy sets out (i) IFM's remuneration policy, (ii) the principles on which IFM's Policy is based, and (iii) IFM's practices aimed at ensuring that its remuneration approach is consistent with applicable regulatory requirements and the above-mentioned principles.

This Policy will be subject to central and independent internal review by the Internal Auditor at least annually.

POLICY SPECIFICS

Overall application of this Policy

The Policy and the related practices described below shall be applied in a flexible way that (i) is consistent with applicable employment and privacy laws, including pre-existing employment contracts and other obligations of the Wellington Group to its staff, (ii) aligns with the business strategy, objectives, values, and interests of the IFM and the Wellington Group, and the interests of the WMF Global Funds and investors in the WMF Global Funds, (iii) is appropriate given the size, internal organisation, nature, and complexity of the business of the IFM and the WMF Global Funds, and (iv) takes into account individual circumstances.

Remuneration will not be paid through vehicles or methods that facilitate the avoidance of the requirements of the AIFMD or UCITS. Remuneration paid in accordance with the Policy will be impacted by Wellington Group's overall financial performance, and a covered individual's achievement in the performance of the duties assigned to them.

Specific requirements (including the payout process rules) may not be applied (a) where they are not believed to be proportionate (given the factors listed above) or to promote regulatory objectives, and/or (b) based on "disapplication" standards or thresholds applicable in Luxembourg or other Member States,[1] *provided* such requirements are not believed necessary to (i) promote sound and effective risk management, (ii) act in the best interests of IFM and/or the WMF Global Funds or (iii) reward individual and functional team achievement.

Where staff are subject to remuneration rules from multiple remuneration regimes, the remuneration rules shall be applied pro rata based on the activities carried out under each regime or, if there is a conflict between the rules, the rules will be applied that are deemed more effective for achieving the outcomes both of discouraging excessive risk taking and of aligning the interests of the relevant individuals with those of the investors in the WMF Global Funds they manage.

Independence

The remuneration of employees involved in control functions will be determined independently from the business units controlled by the control functions and in accordance with the achievement of the objectives linked to the relevant control functions.[2]

Identified Staff

The general principles set forth in this Policy apply to all IFM staff, however, the payout process below applies only to the IFM staff, including senior management, risk-takers, control functions, and any employees receiving total remuneration that takes them into the same bracket as senior management and risk-takers whose professional activities have a material impact on the risk profiles of the IFM or the WMF Global Funds (collectively "the Identified Staff").

In order to arrive at the universe of Identified Staff, IFM will determine whether the activities of each member of staff, senior management or the delegates could have a significant impact on IFM's results, IFM's balance sheet, or

[1] In light of the "need" identified in ESMA guidance to preserve a level playing field among AIFMs and jurisdictions.

[2] Full independence is not possible, as remuneration is ultimately linked to the performance of the Wellington Group as a whole.

the performance of the WMF Global Funds. IFM may also consider other relevant factors. The Conducting Officer responsible for Compliance will inform the relevant individuals of their classification as Identified Staff.

Relevant remuneration

This Policy applies to all forms of payment by IFM of salaries, discretionary payments, and pension benefits, or by a WMF Global Fund to Identified Staff, including any transfer of WMF Global Funds' shares/units, in relation to services rendered by Identified Staff for the benefit of the applicable WMF Global Funds.

This Policy does not apply to payments from other Wellington Group entities (including partnership distributions), but the Wellington Group will not design remuneration practices intended to circumvent the requirements of the UCITS or the AIFMD, related ESMA Guidelines on Sound Remuneration and the Circular CSSF 18/698.

The following provisions are designed to ensure compliance with the remuneration requirements of the AIFMD and the UCITS and with related directives, regulation, and guidance.

Guarantees and early termination

IFM will not normally offer guaranteed bonuses and will only do so in connection with hiring new staff. IFM will not offer guarantees in excess of one year. IFM will not make payments related to early termination of a contract, except as required by law.

Performance assessment

When assessing performance for the purposes of determining remuneration, IFM will assess the performance of the individual (including by reference to non-financial criteria) and the function or business unit concerned, along with the overall results of IFM. WMF Global Fund performance will be assessed in a multi-year framework appropriate to the life cycle of the AIFs, or the holding period recommended to fund investors in the UCITS, to ensure that the assessment is based on longer-term performance and that the payment of performance-based compensation is spread over a period taking into account the redemption policy of the AIFs or the holding period recommended to fund investors in the UCITS and their investment risks. The measurement of performance used to calculate variable remuneration (or to calculate the size of pools available for variable remuneration) will include adjustment mechanisms for relevant current and future risks.

Bonus withholding and claw-back

Should it be proven that an employee took excessive risks or breached IFM's compliance rules or any regulations, no bonus will be paid to that employee and claw-back proceedings may be invoked in relation to bonuses paid during prior periods.

The Board will be able to require employees to repay all or part of any bonus that has been paid for performance based on data which was subsequently proven to be fraudulent or subject to a material error or misstatement.

Payout process

The IFM will regularly carry out an assessment of proportionality in relation to the appropriateness and applicability of the design of the payout process. The payout process may include the below relevant components depending on the assessment of proportionality at a given time.

1. Fixed/variable balance: The fixed and variable components of remuneration will be appropriately balanced, and the fixed compensation component will represent a sufficiently high proportion of total compensation to allow for a flexible policy (e.g., payment of no variable remuneration in any given year). Variable remuneration will only be paid if it is sustainable given the overall financial situation of IFM and of the Wellington Group combined and justified given the performance of the business unit, the WMF Global Funds, and the individuals concerned.

2. Variable remuneration in shares or units: this process is not currently in place. Subject to the legal structure of the WMF Global Funds and their rules or instruments of incorporation and considering the outcome of a proportionality assessment, a substantial portion (at least 50%) of variable remuneration may consist of units or shares of the WMF Global Funds concerned or unit/share-linked non-cash instruments, unless the management of AIFs or UCITS (as applicable) accounts for less than half of the portfolios managed by IFM, in which case the 50% minimum shall not apply. Any non-cash instruments granted in accordance with the above will be subject to an appropriate retention policy, designed to align the Identified Staffs' incentives with the interests of the WMF Global Funds.
3. Variable remuneration deferral: this process is not currently in place.
    - A substantial portion (at least 40%) of the variable remuneration may be deferred over an appropriate period, in view of the life cycles and redemption policies of the AIFs or the recommended investment holding period of the UCITS concerned and will be aligned with the nature of the risks of the WMF Global Funds in question.
    - This period shall be at least three to five years for AIFs or three years for UCITS, unless the life cycle of the AIFs concerned is shorter, and vesting will occur no faster than on a pro-rata basis.
    - If variable remuneration is particularly high, 60% may be deferred.
    - Variable remuneration will generally be considerably reduced where negative financial performance of IFM or the WMF Global Funds it manages occurs, taking into account current compensation and reductions in payouts previously earned.
4. Discretionary pension benefits: this process is not currently in place. If IFM is aware of Identified Staff leaving IFM before retirement, any discretionary pension benefits that may have been awarded will be held by IFM for a period of five years in the form of shares or share-linked instruments. Otherwise, discretionary pension benefits shall be paid in the form of shares or share-linked instruments, subject to a five-year retention period.
5. Hedging: Identified Staff subject to the payout process rules must undertake not to use personal hedging or remuneration-related insurance to undermine the risk-alignment effects of their remuneration arrangements.

Regarding the compliance with the pay-out process defined in the guidelines on sound remuneration policies under AIFMD, it can be outlined that there are no:

- variable remunerations in instruments;
- retention;
- deferral;
- ex post incorporation of risk for variable remuneration.

Those are disapplied in accordance with the proportionality principle outlined in point 26 of those guidelines.

Delegates

When delegating portfolio management or risk management activities, and where the remuneration rules would otherwise be circumvented, IFM will ensure that (i) the delegates are subject to regulatory requirements on remuneration deemed equally effective as those applicable under the ESMA Guidelines on Sound Remuneration or (ii) appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines on Sound Remuneration. This practice adopted by IFM is in line with Sub-section 6.3.2.2, paragraph 495 of the Circular CSSF 18/698.

Remuneration committee

Taking into consideration the IFM's size, internal organization and the nature scope and complexity of its activities, and, thus, on the basis of the application of proportionality principles, the IFM is currently not intending to establish a remuneration committee. The IFM will establish a remuneration committee if at any point it deems such establishment proportionate to oversee the implementation of this Policy with respect to decisions with risk implications relating to IFM and the WMF Global Funds.

Sustainability Risks

In accordance with Article 5 of the SFDR, IFM believes this Policy to be consistent with the integration of the consideration of sustainability risks in the investment decision-making process. For more information, please see www.wellingtonfunds.com/SFDR.

PROCEDURES AND PRACTICES

IFM applies remuneration policies, practices, and procedures that are consistent with and promote sound, prudent and effective risk management and do not encourage inappropriate risk-taking. Furthermore, these policies and practices are designed to ensure that conflicts of interest are prevented or appropriately managed.

The practices associated with implementation of the Policy are overseen by the Conducting Officers responsible for Risk Management and Human Resources.

EXCEPTIONS

Not applicable in the context of this Policy.