

REMUNERATION POLICY

A. INTRODUCTION

This document defines the principles regarding all type of remunerations within DNB Asset Management S.A. (“DAM SA”). In accordance with Article 14b of Directive 2009/65/EC as amended by Directive 2014/91/EU (“UCITS V Directive”), DAM SA complies with the principles laid down in the UCITS V Directive in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

B. REMUNERATION PHILOSOPHY

This remuneration policy (the “**Policy**”) supports the DAM SA's prevailing strategies and values and contribute to the attainment of the DAM SA's goals. It inspires conduct to build the desired corporate culture with respect to performance and profit orientation, cooperation, mobility and reputation.

The Policy contributes towards DAM SA's image as an attractive employer in addition to forming a common platform for business-focused solutions in the various business areas, employees and support units.

The Policy ensures that no unnecessary risk exposure is being taken by DAM SA employees in relation to DAM SA and/or the UCITS funds under the management of DAM SA (the “**Funds**”). Such goal will be also achieved by aligning this policy with the relevant provisions of the constitutive documents of the Funds and applicable laws and regulations.

C. EMPLOYEES IN SCOPE

The Policy applies to all employees of DAM SA but, in line with the applicable laws and regulations, focuses specifically on remuneration rules for “identified staff” being: senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management companies or of the Funds.

In DAM SA, identified staff will be composed of senior management (the “**Management**”), employees responsible for risk management function, compliance function, portfolio management function, and sales representative under the condition that the latter fall into the remuneration brackets of the Management and risk takers.

The Management is composed of the conducting officers of DAM SA, duly authorised by Commission de Surveillance du Secteur Financier (the “**CSSF**”).

In DAM SA, control functions will include DAM SA employees responsible for the compliance function, oversight of the risk management function and of the internal audit function.

Further, other risk takers will be assessed based on their position to take decisions that materially affect DAM SA's risk position and/or whether such DAM SA employees' total remuneration falls into the remuneration bracket of the Management.

D. ALIGNMENT OF REMUNERATION PRINCIPLES TO DAM SA's SCOPE OF BUSINESS AND RISK MANAGEMENT STRATEGY

DAM SA is a fund management company in Luxembourg, with a license as a management company in accordance with the provisions of chapter 15 of the Luxembourg law of December 17, 2010 on undertakings for collective investment, as it may be amended from time to time.

DAM SA is fully owned by, and functionally integrated in DNB Group, and does not have any branches nor subsidiaries.

DAM SA scope of business is limited to the activity of the collective portfolio management, being administration, marketing and investment management, with some of these functions being outsourced internally (within DNB Group) and externally.

Funds managed by DAM SA are limited to UCITS funds domiciled in Luxembourg, as DAM SA does not have authorised alternative investment fund manager licence, and does not operate on cross-border basis.

DAM SA organisation chart is included in Appendix I.

Taking into account DAM SA activities and the number of the staff, DAM SA applies the proportionality rules in relation to the following principles:

- a. no parts of the variable remuneration will be paid out in the form of the Fund's shares/units, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, with equally effective incentives as any of the aforesaid instruments;
- b. no remuneration committee;
- c. the assessment of the performance will not be linked to the long-term performance of the Funds, as DAM SA has delegated the portfolio management activity to DNB Asset Management AS, and it is the latter that advises the investors of the Funds on the appropriate timeframe for holding of the units/shares in the Fund.

E. MAIN REMUNERATION PRINCIPLES

In line with the relevant laws, guidelines and regulations, the monetary remuneration shall consist of:

- a. all forms of payments or benefits paid by DAM SA;
- b. any amount paid by the Funds, including performance fees;
- c. any transfer of units or shares of the Funds; and
- d. employee's development and career measures (courses and development programs, career programs and other non-monetary remuneration).

The remuneration structure for DAM SA should not encourage significant risk-taking behaviours.

Total remuneration of DAM SA employee, excluding DAM SA control functions, is based on a total evaluation of the performance of the DAM SA, and the unit's and each individual's contributions to a value creation. It should be structured to ensure that it does not expose the DAM SA to unwanted risk.

DAM SA shall ensure that the ratio between the fixed and variable components of the remuneration is appropriate. This should be achieved by allowing flexibility in the operation of a variable remuneration.

In addition, total remuneration should be competitive, but also cost-effective for DAM SA.

The remuneration of DAM SA control functions will be based on the performance, including realisation of the goals and objectives of such employee occupying control functions, with no direct link to the financial results of DAM SA throughout the relevant financial year.

1. FIXED PAY ELEMENT

The fixed component of the remuneration for all employees shall be proportionate to the responsibility, requirements and complexities associated with the position occupied. It shall represent a sufficiently high proportion of the total remuneration, in order not to make DAM SA employees financially dependent on the variable part, if any.

The fixed component of remuneration includes the fixed part of the salary, and any fringe benefits that may be contractually guaranteed to the employee, regardless his/her level of work performance. Such fringe benefits can include: pension plan and meal vouchers.

2. VARIABLE PAY ELEMENT (BONUSES)

2.1. Quantitative and qualitative criteria; discretionary allocation basis

Bonuses are essentially meant to reward outstanding work performance.

Bonuses should promote long-term profitability and are determined on the basis of financial and non-financial targets. The variable remuneration schemes must be documented in accordance with the standard process for evaluation and remuneration, which involves setting and following up goals, as well as evaluation, decision-making and the allocation of variable remuneration at the end of the measurement period.

They may partly be based on achievement of predefined individual sales and/or income targets. The following quantitative and qualitative elements shall be considered for deciding upon this discretionary part:

- DAM SA/ DNB Group's overall performance;
- Consistency of employee's individual performance over past three years;
- Compliance with internal/external rules, including authorised risk limits and operational errors;
- Teamwork, interpersonal skills, etc.

Staff in charge of control functions shall be rewarded in accordance with the achievement of the objectives linked to their functions, with no direct link to the – financial – performance of the business areas they control.

In all cases, it is emphasized that the final decision to allocate bonuses and, if applicable, the size of the bonus, will be totally discretionary. This means that no recipient has a legal claim to be awarded/paid a bonus, irrespective of the target attainment of the individual employee, unit or DNB Group.

DAM SA sales representatives are assessed on a yearly basis with both short- and long term objectives being defined by the Executive Director of DAM SA. The criteria for the assessment of the sales representatives are in line with the aforesaid elements, and are decided on a discretionary basis, without exposing DAM SA and its financial situation at risk.

2.2. Quantitative caps to bonus payments

The board of directors of DAM SA (the "Board") shall authorise on a yearly basis the total amount available for payment of bonuses in DAM SA. Pay out of such amount should obviously never put the overall solvency of DAM SA at risk. No individual bonus shall exceed 100% of any employee's total yearly annual salary. Up to this cap, bonuses will be fully paid in the same year as allocated.

2.3. Form of bonus payments

Given its status as a non-quoted and small-size fully-owned entity of DNB Asset Management Holding AS, no payments of bonuses in the form of – or linked to the evolution of the price of – DNB shares or equivalent instruments are at this point considered.

3. APPROVAL OF FIXED SALARY LEVELS, SALARY INCREASES, BONUSES, LEAVING INDEMNITIES, ETC.

The Board shall approve all individual bonus amounts, and all salary increases.

Board members with non-executive role are at this point not entitled to any financial (fixed nor variable) remuneration. Any "sign-on" bonus or indemnity for early termination of contract –including in cases of restructuring- shall also be approved by the Board.

No indemnity for early termination of contract due to non-satisfactory individual performance may be contractually agreed in advance.

The criteria for total remuneration should be known to all DAM SA employees, through the continuous assessment of DAM SA employees by the direct manager in MyWork system, and ensure predictability.

Total remuneration should be communicated by the relevant manager to the individual employee.

F. GOVERNANCE

1. THE MANAGEMENT OF DAM SA

The Management receives on monthly basis, the status on financial condition of DAM SA. The Management is responsible for assessing whether the financial condition reported requires any adjustments in the remuneration policy foreseen for relevant financial year. Such adjustments will be immediately reported to the Board for the latter to undertake necessary steps.

The Management approves the remuneration of DAM SA staff.

The Management anticipates the upcoming risks of DAM SA becoming unable to maintain a sound financial situation.

The Management can also put in place a remedial plan, shall it conclude, further to a periodic control over the application of the remuneration policy that the principles of this policy are not being derived from.

Such remedial plan can also be instructed by the internal audit further to the controls performed on the activity of DAM SA.

2. BOARD OF DIRECTORS OF DAM SA

The Board, upon suggestion formulated by the Management, has an ultimate control over the application of this remuneration policy. The Board, through the reports received from DAM SA compliance officer (the "Compliance Officer") and/or the Management, internal audit reports and/or independent controls, ensures that the ultimate goal of having sound and prudent remuneration policies and structures is not improperly circumvented.

The Board will review and approve any amendments to the provisions of this Policy.

Notwithstanding the above, the Board has a right to adapt the remuneration principles outlined in this Policy, should the financial condition of DAM SA and/or the Funds become at risk. Any such decision will be duly reflected in the minutes of the Board meeting.

The Board should aim to enable DAM SA to align the interests of the Funds and their investors with those of DAM SA employees in charge of the management of such Funds, and to achieve and maintain a sound financial situation.

The Board may also decide to use relevant department from DNB Group and/or the external service providers aiming to periodically review the implementation of this Policy, suggest points of amelioration and ensure accurate follow-up.

3.COMPLIANCE OFFICER OF DAM SA

The Compliance Officer together with the Management ensure that application of this Policy is always in line with the business strategy, objectives, values and interests of the management company, do not encourage excessive risk taking as compared to the investment policy of the Funds.

G. RESPONSIBILITIES FOR IMPLEMENTATION

Based on proposal of the Management, supported by the Human Resources department and the Compliance Officer, the principles set in this document were designed and approved by the Board.

The Board is also responsible for periodical review and relevant amendments to this policy, and for approving any individual exception to it. Any such decision will be duly reflected in the minutes of the Board meeting.

Responsibility for implementation of this policy is for the Board, with support of administrative and/or human resource staff as relevant.

Yearly control of effective implementation shall be the duty of the compliance function of DAM SA and internal audit function of DAM SA.

Any findings shall be reported to the Board.

H. CONFLICT OF INTEREST

This Policy should restrain from creating any conflict of interests within DAM SA and/or in relation any relevant counterparty/investor of the Funds. DAM SA shall ensure that any such conflict of interests are avoided, and shall they arise, the latter are duly reported to the Board with relevant actions being taken promptly, in accordance with DAM SA conflict of interest policy in place.

I. DELEGATION

When delegating investment management activity in relation to the Funds to a third party, DAM SA will ensure, through written regular due diligence, that the entity to which such activity is envisaged to be delegated to, is subject to regulatory requirements on remuneration that are equally as effective as those applicable to DAM SA.

Such exercise shall be performed prior to the delegation of investment management activity and shall be repeated on ongoing basis by DAM SA conducting officer in charge of overseeing investment management function.

J. DISCLOSURE

This document shall be made available in full or extract to all employees of DAM SA, and other relevant DAM SA stakeholders.

K. REVIEW

This policy will be reviewed at least on annual basis, and with every organisational change within DAM SA leading to the change in DAM SA business strategy, objectives, values and/or interests.

It should be ensured that any principles or future amendments of this remuneration policy are always in line with the applicable laws and regulations, and do not represent any deviation of the latter.

The Management along with the Compliance Officer will be responsible for conducting such review and formulating suggestions for amendment (if any) to the Board.

Any such review, including any amendments introduced to this remuneration policy, must be approved by the Board, prior to its applicability and execution