

SAM UK

Remuneration Policy Summary & Disclosure

July 2024



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1. Introduction

This document provides an overview of Santander Asset Management Limited's ("SAM UK" or the "Company") Remuneration Policy and Guiding Principles ("UK Remuneration Policy"), which is designed to support prudent soundness and risk management and ensure appropriate outcomes for customers and markets to reduce the likelihood of harm

2. Scope

This SAM UK Remuneration Policy applies to Employees. SAM UK is subject to three distinct remuneration codes (MiFIDPRU, AIFMD & UK UCITS, together the "Remuneration codes") with the overriding principle that the Company must establish, implement and maintain remuneration policies and practices for Material Risk Takers ("MRTs") that are consistent with, and promote, sound and effective risk management.

3. Governance

The Remuneration Policy is subject to review on an at least annual basis and was last approved by SAM UK Board in July 2024.

As part of its 2024 annual review process, SAM UK Board approved a policy change which is designed to ensure a consistent treatment across all Material Risk Takers (as defined in Section 4.5). The internal policy will be to apply the most stringent Remuneration Code across the full MRT population irrespective of the Remuneration Code(s) applicable to their role.

No other material changes were made.

SAM UK's Board Remuneration Committee is comprised wholly of non-executive directors with majority independent non-executive directors. SAM UK Board is responsible for approving the SAM UK Remuneration Policy and overseeing its application.

4. Governing Principles for Remuneration

4.1 Remuneration Strategy

The UK Remuneration Policy adopts a five-pillar approach to Remuneration strategy. The five pillars of which the remuneration strategy is founded are described below.

4.1.1 Pillar 1: Sound and Effective Risk Management

Remuneration is compatible with sound and effective risk management, rewarding appropriate risk management (including both current and future risks and capital and liquidity) and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of SAM UK's Assets under Management or Influence.

Individual goals for variable pay do not induce risk taking decisions which fall outside the Company's general risk profiles (including risk profiles of the Funds it manages), and include performance measures at the individual, team and Company level, as well as compliance indicators on business conduct.

Employees in control functions are independent from the business units they control, have the necessary attributes to be able to adequately exercise control and are rewarded for the achievement of specific goals related to their control functions, and not based on the results of the business units they control. For SAM UK, the Risk & Compliance Function perform this 2nd line role.

4.1.2 Pillar 2: Long Term Strategy

Remuneration (including its pension policy) is compatible with the Company's long term business strategy, its culture and values, goals and interests, and includes provisions to avoid conflicts of interest.

To achieve this, performance results are evaluated against long term goals and taking into account all present and future risks. These goals are specific, measurable and aligned with good consumer outcomes and long-term shareholders' interests.

4.1.3 Pillar 3: Competitiveness and Fairness

Remuneration is consistent with the authority, tasks, expertise and responsibilities of each employee, applying the required balance between market competitiveness and internal equity.

The Company periodically engages in remuneration surveys to assess market levels and trends in compensation. Market data is considered amongst other internal criteria to establish the salary references and when taking individual and employee group review decisions.

Remuneration is reviewed to ensure it is gender neutral both at Global level and at SAM UK level with results shared with the UK Board. Remuneration is benchmarked using external data regardless of gender, race or any other protected characteristic as set out in the Equality Act 2010 and Valuing Diversity section of the Company's Employee Handbook.

4.1.4 Pillar 4: Adequate Ratio between Fixed and Variable Pay

The ratio of variable to fixed pay is not disproportionate, in order to avoid inducing an excessive risk assumption. The SAM UK RemCo will set a maximum ratio for all variable pay accrued by an individual in any given year and establish the necessary controls to ensure this maximum is observed. It is possible for variable pay to be reduced to zero where appropriate. Employees in revenue generating functions will generally have a higher ratio of variable to fixed pay than those in control functions, where it relates to the annual bonus pool and standard variable remuneration.

4.1.5 Pillar 5: Transparency

Internal transparency is a primary concern when establishing and determining compensation. SAM UK has processes in place to clearly communicate remuneration policies and process to its managers and employees to ensure understanding and appropriate alignment of remuneration and performance and conduct. SAM UK also ensures its remuneration processes are fair and equitable and, in particular, ensures appropriate checks from a diversity, equity and inclusion perspective.

4.2 Remuneration Structure - Fixed Remuneration

Salary and Benefits Structure

Salaries are designed based on the roles and responsibilities of the job and the knowledge and expertise required to carry them out. Salaries are periodically reviewed taking into account employee performance, external market data, internal relativity, equity & fairness and budget. Benefits are part of SAM's overall remuneration plans and are intended to support and protect the health, retirement and wellbeing of its employees. Benefits and remuneration in

kind are assigned based on responsibilities and accountabilities and includes regular and non-discretionary pension contributions. SAM UK may also provide additional remuneration elements to complement an employee package.

4.3 Remuneration Structure - Variable Remuneration

Performance assessment and risk adjustment in relation to variable pay will be assessed in relation to each performance period. All employees are eligible for an annual bonus and for non-investment employees is expressed as target bonus based on a percentage of salary and is subject to a fixed to variable ratio of 1:2 for employees (in relation to annual bonus pool), except employees performing a control function (where the salary to bonus ratio is 1:1). For investment professional employees, the annual target bonus is achieved based on a balanced scorecard taking into account individual and team investment performance, role specific objectives and individual KPIs, including risk, regulatory and conduct and compliance with SAM UK behaviours and subject to the 1:2 salary to bonus ratio. Target bonuses are adjusted according to SAM UK financial performance and to ensure it is affordable and does not create short or long term risks. This includes risk adjustment in respect of current and future risks, consistent with the potential risks identified in SAM UK's Internal Capital and Risk Assessment ("ICARA") process.

SAM UK may from time to time provide non-standard variable remuneration on a case by case basis, including guaranteed variable remuneration such as retention, termination or severance payments. Such remuneration will be at all times aligned with the five pillar approach and subject to governance approvals.

4.4 Risk Management

Consistent with the 5 pillars approach, SAM UK promotes effective risk management in the long-term interests of SAM UK and its customers, ensures alignment between risk and individual reward, supports positive behaviours in accordance with its values and designs its Remuneration Policy in such a way to discourage behaviours that can lead to misconduct and/or poor customer outcomes. Where misconduct, failings or poor performance collective and/or individual adjustments on variable remuneration are reviewed. SAM UK has set a fixed to total variable remuneration ratio (taking into account standard and non-standard variable remuneration). Both setting of the ratio and its application is overseen by the SAM UK Remuneration Committee.

SAM UK employees are not permitted to use personal hedging strategies or remuneration or liability- related contracts of insurance to undermine the risk-alignment effects embedded in their remuneration arrangements. SAM UK ensures that variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the regulations.

The Remuneration Policy has mechanisms in place to make risk adjustments for known future losses which are not accounted for at the time bonus levels are set, and also at an individual level, where a member of the bonus scheme is found to have acted inappropriately, or taken excessive risk, in order to achieve greater levels of reward.

4.5 Material Risk Takers

There are also additional provisions that SAM UK applies to its Material Risk Takers (defined as "Remuneration Code Staff" and "MiFIDPRU Material Risk Takers) as a collective population).

4.5.1 Remuneration Code Staff

SAM UK is required to identify individuals whose professional activities have a material impact on the risk profiles of the UK UCITS and UK AIFs it manages ("Remuneration Code Staff"), which includes certain Key Senior Management Roles and Investment Desk Heads. SAM UK's Remuneration Policy applies deferral arrangements where a proportion of

variable pay for its Remuneration Code Staff is deferred and a certain proportion of payment is made in non-cash instruments. The Remuneration Policy has mechanisms in place to make risk adjustments for known future losses which are not accounted for at the time bonus levels are set, and also at an individual level, where a member of the bonus scheme is found to have acted inappropriately, or taken excessive risk, in order to achieve greater levels of reward.

4.5.2 MIFIDPRU Material Risk Takers

SAM UK is required to identify individuals whose professional activities have a material impact on the risk profiles of the Company or the portfolios it manages ("MiFIDPRU Material Risk Takers"), which includes certain Key Senior Management Roles and Investment Desk Heads. SAM UK is a non SNI firm that is not regarded as a larger non SNI firm, however the SAM UK Remuneration Policy provides that the Company will apply the same payout rules to MIFIDPRU MRTs as are applied to Remuneration Code Staff identified under AIFMD and/or UCITS.

At all times, the most stringent provision across the Remuneration Codes will apply.

5. Quantitative Disclosures

Remuneration Codes require SAM UK to disclose specific information about Material Risk Takers.

5.1 Remuneration Code Staff

This quantitative remuneration disclosure has been provided by SAM UK in its capacity as authorised fund manager of UK UCITS and UK AIFs as at 31 December 2023. Remuneration information at an individual UK AIF or UK UCITS level is not readily available. The remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December 2023 with respect to all UK AIFs and UK UCITS it manages. It excludes remuneration paid to Material Risk Takers under the MIFIDPRU Remuneration Code, which are separately disclosed in section 4.7 below. No adjustments were made collectively or individually due to misconduct, failings or other irregularities.

For the year ending 31 December 2023 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Total remuneration awarded by SAM UK during the financial year.	£8,680k	£4,414k	£13,094k	67
Remuneration awarded to Remuneration Code Staff**	£1,667k	£1,069k	£2,737k	7

* The remuneration disclosed above is in relation to the remuneration awarded by SAM UK during the financial year 1 January 2023 to 31 December 2023 and includes Remuneration Code Staff identified under AIFMD and UK UCITS Remuneration Codes.

** Employees of the Manager who have a material impact on the risk profile of the UK AIF or UK UCITS are Directors, certain Key Senior Management Roles and Investment Desk Heads, and are identified collectively as Remuneration Code Staff.

5.2 MIFIDPRU Material Risk Takers

This quantitative remuneration disclosure has been provided based on the reporting period ended 31 December 2023 and excludes remuneration paid to Remuneration Codes Staff, which are separately disclosed in section 5.1. The

remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December 2023 (performance period).

No adjustments were made collectively or individually due to misconduct, failings or other irregularities. There were no guaranteed variable remuneration awarded to MIFIDPRU material risk takers during the reporting period.

One MIFIDPRU material risk taker was awarded severance payments of £182k during the performance period.

MIFIDPRU 8.6.8R requires a firm to disclose the certain information split into categories of senior management, other MRTs and other staff. However, disclosure under these requirements would lead to the identification of one or two MRTs and therefore, the Company is relying on the exemption in relation to these obligations provided by MIFIDPRU 8.6.8R (7)(a).

For the year ending 31 December 2023 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Other staff	£6,804k	£3,162k	£9,967k	68
Remuneration awarded to MiFIDPRU material risk takers **	£1,893k	£1251k	£3,145k	8

* The remuneration disclosed above is in relation to the remuneration awarded by SAM UK during the financial year 1 January 2023 to 31 December 2023 and includes MiFIDPRU Material Risk Takers identified under MiFIDPRU Remuneration Code.

** Employees who have a material impact on the risk profile of the Fund or Portfolios it manages are Directors, certain Key Senior Management Roles and Investment Desk Heads, and are identified collectively as MiFIDPRU Material Risk Takers.