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WFAML Remuneration Policy

1. Introduction

The Wells Fargo Asset Management Luxembourg S.A. ("**WFAML**") Remuneration Policy (the "**WFAML Remuneration Policy**") is designed in order that WFAML complies with the remuneration principles and guidelines imposed by:

- European Commission Recommendation 2009/384/EC, as implemented into Luxembourg law by the Luxembourg *Commission de Surveillance du Secteur Financier* ("**CSSF**") Circular 10/437 entitled "guidelines concerning the remuneration policies in the financial service sector" (the "**Remuneration Guidelines**");
- Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "**UCI Law**"), as amended from time to time, including by the Luxembourg law of 10 May 2016 transposing the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 Directive 2009/65/EC (the "**UCITS V Directive**") relating to undertakings for collective investment;
- ESMA Guidelines on sound remuneration policies under the UCITS V Directive published on 14 October 2016 (ESMA/2016/575) (the "**ESMA Guidelines**").

WFAML's ultimate parent company, Wells Fargo & Company ("**Wells Fargo**") in the United States, has developed an Incentive Compensation Risk Management Policy (the "**Corporate Policy**") and continues to develop and implement corporate standards and practices ("**Corporate Practices**"). WFAML will implement Wells Fargo's remuneration policies and practices as reflected in this WFAML Remuneration Policy in compliance with applicable laws, rules, regulations and regulatory guidance. To the extent there is any conflict between the contents of this WFAML Remuneration Policy and the Corporate Practices, this WFAML Remuneration Policy shall prevail with respect to the application of the Remuneration Requirements to WFAML.

In accordance with the Remuneration Requirements, WFAML is committed that its remuneration policies and practices are consistent with and promote sound and effective risk management. This WFAML Remuneration Policy is designed so that excessive risk-taking is not encouraged within WFAML.

WFAML is a Luxembourg management company authorized by the CSSF pursuant to chapter 15 of the UCI Law. It is WFAML's intention to comply with any final remuneration requirements implemented under the UCI Law, as well as the ESMA Guidelines and any other applicable law, regulation or CSSF circular, and to effect such modifications and amendments to this WFAML Remuneration Policy as necessary in that event.

To the extent that WFAML delegates portfolio or risk management functions to a third-party entity or an affiliate, WFAML shall ensure that (i) the entities to which such functions have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines or (ii) appropriate contractual arrangements are put in place with entities to which such functions have been delegated to ensure there is no circumvention of the remuneration rules set out in the ESMA Guidelines.

2. Responsibility and Review

Wells Fargo applies an enterprise-wide approach to remuneration policies and practices for Wells Fargo, its subsidiaries and affiliates (collectively the "**Company**"), many of which are incorporated in, and made a part of, this WFAML Remuneration Policy. In addition to the enterprise-wide remuneration policies and practices, the WFAML Board of Directors adopts and periodically reviews the general principles of this WFAML Remuneration Policy and is responsible for its implementation.

The remuneration strategy for officers and employees of the Company is subject to the oversight of the Human Resources Committee of Wells Fargo's Board of Directors (the "**HRC**"). In support of Wells Fargo's remuneration governance structure, responsibility for oversight of the implementation and supervision of remuneration strategy for Identified Staff employees (as defined below) of WFAML, including this WFAML Remuneration Policy, lies with the senior managers (i.e., conducting officers) and ultimately the WFAML Board of Directors (the "**WFAML Board**"). No amendment to or exception from this WFAML Remuneration Policy should be made without the approval of the WFAML Board. For purposes of this WFAML Remuneration Policy, Identified Staff employees are all staff whose professional activities have a material impact on the risk profile of WFAML and/or the funds it manages The ESMA Guidelines defines "Identified Staff" as "categories of staff including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages." For further details on the Identified Staff, please refer to Appendix 1.

The Remuneration Committee (the "**EMEA Remuneration Committee**") for Wells Fargo's European, Middle Eastern and African entities ("**EMEA**") was established with responsibility to oversee the implementation of Wells Fargo's remuneration policies and practices in EMEA in compliance with applicable laws, rules, regulations and regulatory guidance.

The EMEA Remuneration Committee is responsible for:

a. overseeing effective implementation of Wells Fargo's remuneration policies in EMEA, including this WFAML Remuneration Policy, so that Wells Fargo EMEA's remuneration practices and arrangements align with appropriate levels of risk-taking and Wells Fargo EMEA's business strategies, objectives, values and long-term interests, and avoid conflicts of interest;
b. reviewing EMEA, including WFAML, remuneration practices so that they are consistent with and promote sound and effective risk management and do not encourage unnecessary or excessive risk-taking that exceeds the level of tolerated risk of Wells Fargo EMEA or Wells Fargo;
c. reviewing and monitoring Wells Fargo EMEA strategy as it relates to remuneration design for all Identified Staff employees; supervising the application of Wells Fargo remuneration policies and EMEA remuneration practices, as well as this WFAML Remuneration Policy, to Wells Fargo Identified Staff employees, including reviewing (i) regulatory reports and required public disclosures on remuneration, (ii) changes to the methodology used by the EMEA entities to identify Wells Fargo Identified Staff employees, and (iii) internal reports on the effectiveness of variable remuneration arrangements; and
d. making periodic reports to the EMEA Governing Bodies, the Head of the [International Group] for Wells Fargo and the Senior Human Resources Manager for the [International Group] of Wells Fargo summarizing the matters reviewed and actions taken by the EMEA Remuneration Committee, as well as more frequent updates as necessary at the request of the EMEA Governing Bodies and/or the Wells Fargo Global Remuneration Committee.

In exercising its responsibilities, the EMEA Remuneration Committee receives input and assistance from control function staff (i.e., Risk Management, Compliance, Human Resources, Finance and the Law

Department) where appropriate. This WFAML Remuneration Policy will be reviewed at least annually by the EMEA Remuneration Committee, the Conducting Officers of WFAML, the WFAML Board and Compliance/internal audit of WFAML, to assess whether it: operates as intended; and remains compliant with applicable regulations, principles and standards.

In addition, this WFAML Remuneration Policy may be subject to periodic independent review by Wells Fargo Audit Services.

3. Application

For the purposes of this WFAML Remuneration Policy, "remuneration" consists of (i) all forms of payments or benefits paid by WFAML, (ii) any amount paid by the UCITS (including performance fees) and (iii) any transfer of units or shares of the UCITS in exchange for professional services rendered by WFAML's Identified Staff. Remuneration can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, shares, options, cancellation of loans to staff members at dismissal, pension contributions) or non (directly) monetary benefits (such as, discounts, fringe benefits or special allowances for car, mobile phone, etc.). Ancillary payments or benefits that are part of a general, non-discretionary, management company-wide policy and pose no incentive effects in terms of risk assumption can be excluded from this definition of remuneration for the purposes of the risk alignment remuneration requirements that are specific to the UCITS Directive.

Ancillary payments or benefits that are part of a general, non-discretionary, institution-wide policy and pose no incentive effects in terms of risk assumption are not covered by this WFAML Remuneration Policy. Risk benefits such as medical and life cover would fall into this category.

Parts of this WFAML Remuneration Policy apply to all employees of WFAML (see Section 4) and additional parts may only apply to certain specified employees (see Section 5)

4. Corporate Practices and requirements applicable to all employees

4.1 Remuneration Philosophy and Approach

The foundation of Wells Fargo's approach, and in turn WFAML's approach, to remuneration is based on four remuneration principles:

(a) Pay for performance. Remuneration should be linked to the performance of the Company, line of business (e.g. WFAML and/or the UCITS fund concerned) and the individual.
(b) Promote a culture of risk management. Remuneration should promote a culture of risk management consistent with Wells Fargo's Vision and Values and should not encourage unnecessary or excessive risk-taking.
(c) Attract and retain talent. People are Wells Fargo's competitive advantage, so remuneration should help attract, motivate and retain exceptional people at Wells Fargo.
(d) Align employee interests with long-term stockholder interests. For those in positions to influence stockholder results, remuneration should have an equity-based component so that Wells Fargo's employees' interests are aligned with our stockholders' long-term interests and to encourage behaviour consistent with long-term stockholder value creation.

Wells Fargo employs an enterprise-wide approach to ensuring that the firm's remuneration policies and practices as set forth in the Corporate Policy and Corporate Practices and, by extension, this WFAML

Remuneration Policy, promote sound and effective risk management which does not encourage risk-taking that could exceed the firm's levels of tolerated risk.

Wells Fargo's Corporate Human Resources working in conjunction with line of business Human Resources is primarily responsible for identifying the remuneration structure applicable to jobs within the Company, including WFAML jobs. They work together to assign a functional job title within a job family for every job in the Company. The functional job title identifies job responsibilities and is used for determining the job's remuneration structure through a comparison with similar jobs in external market surveys. Based on market pricing analysis of these surveys, Corporate Human Resources determines the remuneration structure, factoring differences in remuneration levels due to geographic locations. To the extent a functional job title is not available; Corporate Human Resources will determine an appropriate match until a functional job title is identified.

4.2 Remuneration principles

In respect of all WFAML employees, WFAML's remuneration arrangements are based on the following principles unless such employee is covered by the remuneration requirements of another EEA jurisdiction as set out in EBA Guidelines:

- Remuneration arrangements must be based on multiple drivers of long-term business performance, including financial and non-financial risks.
- Remuneration arrangements must be consistent with, and promote, the long-term safety and soundness of WFAML and Wells Fargo, and should produce outcomes that are symmetric with risk outcomes. All variable remuneration arrangements must undergo a documented risk assessment review identifying inherent risks associated with the activities subject to the arrangement and the balancing features within the arrangement specific to the risks taken.
- Remuneration arrangements must be aligned with WFAML's risk appetite and business strategy, and the avoidance of conflicts of interest. Wells Fargo team members must comply with the terms of Wells Fargo & Company's Code of Conduct and Business Ethics which require team members to avoid conflicts of interest or the appearance of a conflict of interest in their personal and business activities. In order to avoid potential conflicts of interest with respect to the governance and administration of remuneration arrangements:
    a) All revenue generation remuneration arrangements must be administered by (i.e., accountable to) a member of management who does not participate in the revenue generation plan, and
    b) Further Wells Fargo standards and practices discussed below also apply in relation to the structure of remuneration arrangements for line of business control function staff.
- Remuneration arrangements must be aligned to the risk time horizon of the activity for which the remuneration is being paid.
- Remuneration arrangements must enable WFAML to align the interests of the UCITS and their respective investors with those of the Identified Staff that manages such UCITS.
- Risk Management and Compliance must play an integral role in the design and monitoring of variable remuneration arrangements.
- The HRC (at the enterprise level) and the WFAML Board (at the local level), which has delegated certain authority for oversight to the ERC, have oversight responsibility for the variable remuneration strategy for the enterprise and WFAML, respectively, and may take into account such information as necessary to perform those oversight responsibilities.
- Wells Fargo's and WFAML's remuneration approach, principles and objectives take into account the long-term interests of shareholders, employees, investors and other stakeholders. Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of WFAML and when assessing individual performance, both financial and non-financial criteria are taken into account.

- Guaranteed variable remuneration is exceptional and occurs only when hiring new staff and where WFAML has a sound and strong capital base and is limited to the first year of employment.
- Fixed and variable components of total remuneration are periodically reviewed to ensure appropriate balance and the fixed component represents an appropriate proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component.
- Payments related to the early termination of a contract must reflect performance achieved over time and be designed in a way that does not reward failure.
- Remuneration packages related to compensation or buyout from contracts in previous employment must align with the long-term interests of Wells Fargo and WFAML, including retention, deferment, performance and clawback arrangements.
- The assessment of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks so that variable remuneration arrangements are appropriately risk-balanced and also takes into account the quality of financial results as appropriate based on the particular level and role of the individual within the firm.
- The allocation of the variable remuneration components within WFAML also takes into account all types of current and future risks and is subject to appropriate malus or clawback arrangements.
- The WFAML pension policy is in line with the business strategy, objectives, values and long-term interests of WFAML.
- Staff members are prohibited from undertaking personal hedging strategies of remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Entering into contracts to hedge against exchange rate risk associated with the issuance of shares in foreign currency (e.g., U.S. dollars) is permitted but Wells Fargo will not be counterparty to the contract.
- Wells Fargo’s Code of Ethics and Business Conduct prohibits all Wells Fargo employees from investing or engaging in derivative or hedging transactions involving securities issued by Wells Fargo & Company, including, but not limited to, options contracts (other than employee stock options), warrants, puts, calls, short sales, future contracts, or other similar transactions.
- Variable remuneration is not paid by WFAML through vehicles or methods that facilitate non-compliance with applicable Remuneration Requirements.

Remuneration Principles Specific to Control Functions

- Staff engaged in WFAML's control functions (i.e., Risk Management, Compliance, Internal Audit, Human Resources and Finance) are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
- Wells Fargo’s Incentive Compensation Steering Committee has adopted a Corporate Standard applicable to the variable remuneration arrangements for heads of the line of business control functions and senior management control function staff.
- These standards apply to the line of business functional heads in the areas of Accounting, Tax, Finance, Credit Risk, Market Risk, Operational Risk and Human Resources. The heads of these lines of business are expected to apply similar standards for those individuals on their teams within the organization.
- Annual bonuses are generally based on Corporate Performance, Line of Business Performance, other function or line of business specific objectives, and individual objectives.
- For each control function, the weighting of the different categories of objectives vary by role subject to certain limitations designed to support the independence and objectivity of the different roles. For Human Resources and Group Finance Officers, 0% but no more than 50% of the annual bonus may be weighted to the Corporate Performance and Line of Business Performance objectives combined.
- For the other control functions, no less than 10% but no more than 30% of the annual bonus may be weighted to the Corporate Performance and Line of Business objectives, provided, however, that Group Risk Officers overseeing Operational Risk must be evaluated based on the Line of Business

performance one level higher than the level supported by the Group Risk Officer. For example, Line of Business performance for the Chief Risk Officer for WFAML is in reference to Wells Fargo Asset Management (the group under which WFAML falls).

- To further ensure independence and appropriate risk outcomes, Wells Fargo's Corporate Functional Heads must review and approve performance ratings and variable remuneration outcomes for the heads of line of business control functions and senior risk officers.
- The remuneration of the senior officers in the Risk Management and Compliance functions of WFAML is directly overseen by the WFAML Board, with final approval for performance ratings and variable remuneration subject to the approval of the applicable Corporate Functional Head.

4.3 Remuneration Structure

Determining remuneration structure

The remuneration structure for different types of Wells Fargo jobs is determined by setting a total cash compensation position or total compensation position following a review of total compensation identified in the market survey data for comparable jobs in the external markets in which Wells Fargo operates. This analysis includes a comparison of the ratio between fixed and variable remuneration for comparable jobs in the market. Generally the median of the market data is referenced (although adjustments may be made based on job content, significant responsibilities or a narrow scope, level of risk and allowances if applicable).

A base salary target is then set for each job taking into account the market survey data, the skills and experience required for the job, and the appropriate proportion of variable compensation. An appropriate, competitive base salary range is then identified generally ranging by a reasonable percentage on each side of the target. Generally, employees are paid a rate of base salary within the identified range for the job, taking into account their individual skills and experience. Non-cash benefits and, on a limited basis, allowances paid in cash may be provided to employees as part of an overall competitive remuneration package.

Annual discretionary incentive opportunities are determined taking market data into account and are generally calculated as a percentage of the fixed remuneration amount within an appropriate range for each job relative to the fixed remuneration amount (commonly referred to as the "incentive target"), with careful consideration given so that the mix of remuneration (fixed and variable) does not provide total cash compensation in excess of the job's Total Compensation maximum (or other risk appropriate) limit. If, however, compensation and human resources have concerns with the available market data and therefore do not have an established incentive target for a job, an alternative approach will be utilized until such concerns are addressed with a constant focus on sound and effective risk management.

Incentive Plan Design and Governance

Incentive compensation for Wells Fargo's senior management team and most of the management team below the level of senior management is subject to the governance of Wells Fargo's HRC.

Wells Fargo's Corporate Human Resources designs and administers the long-term incentive plans and with the assistance of the relevant lines of business, the corporate annual discretionary bonus plan. Lines of business design and administer business specific and functional incentive plans subject to the governance structure outlined in Appendix 2.

Annual discretionary incentive determination

Annual discretionary incentive awards are determined with reference to the individual's performance against individual, line of business and corporate objectives, with payment or award being subject to Wells Fargo achieving an annual corporate performance goal. The annual corporate performance goal is determined by the HRC, and even if the corporate performance goal is achieved, the HRC has the discretionary authority to determine whether Wells Fargo will pay annual incentives, at what level and in what form (i.e., cash, equity or a combination of both) taking into consideration a number of factors including, but not limited to, capital planning. Discretionary annual incentive plans are designed to provide for adjustments down to zero and generally up to a set maximum level, subject to the approval of the Plan Administrator1 for the incentive plan in which the employee participates.

Types of Variable Remuneration

Variable remuneration may consist of annual discretionary incentive, functional incentive (such as commission) as appropriate for specific role types, and long-term incentive either as a result of deferral from annual discretionary incentive, or as stand-alone discretionary awards for eligible employees. Payment may be in the form of cash, or deferred cash or stock awards.

Wells Fargo has two long-term incentive plans both of which are governed by the HRC – the Long Term Incentive Compensation Plan (LTICP), under which awards of Wells Fargo stock are made, and the Long Term Cash Award Plan, under which deferred cash awards are made. Awards under the long-term incentive plans are generally made with a vesting period of 3-7 years, and may be subject to performance based vesting requirements particularly for those employees roles identified as having risk impact.

Risk Adjustment Features in Variable Remuneration Plans.

All Wells Fargo variable remuneration plans are required to have at least one, and in many cases more than one, of the following core balancing features based on the employee's ability to control or influence risk-taking and the time horizon of the risks taken.

a) Knock-outs: Required compliance with internal policies and applicable compliance and risk management accountabilities or a complete forfeiture of variable remuneration. (This currently is and will continue to be a minimum requirement for all of Wells Fargo's variable remuneration plans.)
b) Discretionary Business Objectives: All or a portion of the variable remuneration opportunity is based on manager judgment to allow for discretion in payout amount according to performance. (This balancing feature is currently a key component of the variable remuneration program applicable to WFAML Identified Staff.)
c) Diminishing Marginal Payouts: Reduces the incentive for taking incremental risk.
d) Maximum Payout Limits: Limits the upside to discourage additional risk-taking beyond an appropriate level of tolerated risk. The limits can apply to the aggregate pay opportunity (such as in the case of the Wells Fargo discretionary annual bonus plans including the plan applicable to WFAML Identified Staff) or by risk metrics.
e) Extended Performance Measurement Period: Variable remuneration based on risk outcomes measured over more than 12 months.
f) Deferrals: Payouts deferred for periods greater than 12 months until risk outcomes are known, and payments adjusted by a performance metric.
g) Clawbacks: Clawback provisions if, after payment of the variable remuneration, it is determined that such payment violated any applicable law, rule or regulation.

Variable remuneration is paid or awarded only if it is sustainable according to the financial situation of Wells Fargo, Wells Fargo Asset Management, and WFAML as a whole, and justified according to the performance of the business unit, the UCITS and the individual concerned.

Performance and remuneration review

Individual objectives are set relevant to the employee's role, with particular focus on inclusion of relevant objectives related to risk and compliance responsibilities for all employees. Mandatory risk objectives are assigned for employees in material risk taking roles.

[1] The Plan Administrator is generally the Group Head for the employee's line of business for line of business plans, or the Executive Vice President and Head of Human Resources in the case of the Wells Fargo Annual Bonus Plan.

Employee performance and remuneration are formally reviewed annually, with managers providing ongoing performance feedback and coaching throughout the year on the employee's progress towards the objectives. Individual increases to fixed remuneration are determined by an employee's performance and the employee's position within the identified range for the employee's job. Annual bonuses are generally paid in March of the calendar year following the end of the performance year; provided, however, for employees subject to US tax laws, such annual bonuses will not be paid later than 15 March of the calendar year following the end of the performance year.

5. Additional Requirements applicable to Certain Specified Staff (Identified Staff, as applicable)

Individuals in roles identified as having a material impact on risk are subjected to specific performance objectives related to risk, for example a specific objective related to credit risk. Ratings on these objectives are subject to review by risk officers and poor performance on these objectives may trigger a knock-out of part or all of incentive awards.

In respect of Identified Staff, as applicable, WFAML's remuneration arrangements are also based on the principle that a multi-year framework will be considered in the assessment of the Identified Staff members so that the assessment process is appropriately based on longer-term performance and where appropriate, to ensure that the actual payment of performance-based components of remuneration is spread over a period which takes account of the underlying business cycle of the credit institution and its business risks.

6. Proportionality

6.1 Proportionality criteria

Proportionality has been assessed in respect of WFAML as a UCITS Management Company as follows.

Internal organization

WFAML is a management company subject to Chapter 15 of the UCI Law (Articles 6.2 and 6.3 of the UCITS IV Directive). It is unlisted and a wholly owned subsidiary within the Wells Fargo Group. It has no branches or subsidiaries. WFAML has fewer than ten full time equivalent employees as at June 2017. WFAML has non-complex and limited activities. Certain of its functions, such as distribution, portfolio management, and central administration, have been delegated to affiliated or unaffiliated companies. WFAML has a structured and articulated risk management system that allows effective monitoring, analysis, and control.

Size

UCITS V Assets Under Management (AUM) were less than €4bn across two funds (Wells Fargo (Lux) Worldwide Fund and ECM Credit Fund SICAV) as at 31 December 2016 – 100% of assets under WFAML's management at that time. The AUM of the funds under WFAML's management is in line with our understanding of market practice for application of proportionality as accepted by the CSSF.

Nature, Complexity and Risk Profile of Funds

The investment policies of the UCITS under management are relatively simple. An SRRI rating can be used to provide an indication of the overall level of risk in the funds based on the level of volatility of the return in each fund. The range of rating scale ranges from 1 for the lowest risk rated funds, to 7 for the highest risk rated funds.

All share classes within ECM Credit Fund SICAV have a low SRRI rating of 2 or 3. Approximately 50% of all funds in the Wells Fargo (Lux) Worldwide Fund and ECM Credit Fund SICAV have a low risk rating of less than 3. All funds in the Wells Fargo (Lux) Worldwide Fund and ECM Credit Fund SICAV have a weighted SRRI rating of below 4.

As a general matter, non-complex sub-funds are managed with non-sophisticated portfolio management techniques, whereas complex sub-funds may have, e.g., a high exposure to the commodity sector, a strong use of derivatives and exposure to other structured products.

6.2 Overall Assessment

Considering all the factors above and its experience and understanding of CSSF practice to date, Wells Fargo Asset Management Luxembourg S.A. can take a position that it is a small, non-complex UCITS Management Company and should be able to apply proportionality.

WFAML therefore applies proportionality to neutralise the payout requirements (deferral, payment in fund instruments, retention periods, malus and clawback), and the requirement for a remuneration committee under UCITS V. The ERC periodically reviews, at least on an annual basis, the criteria used to determine the application of proportionality to ensure it remains appropriate.

Effective date

This policy has been last approved on 20 June 2017 by the WFAML Board and on 19 June 2017 by the senior management of WFAML. This policy will be reviewed annually and whenever required.

WFAML reserves the right to amend this policy from time to time if circumstances (e.g., changes to legislation and regulations or progressive insight) make this necessary.

Document History

Ownership: WFAML Conducting Officer, Aline Zanette
Date First Issued: 13 November 2014

Current version date: 19 June 2017

Appendix 1
Identified Staff

As at June 2017, the Identified Staff of WFAML is as follows:

- WFAML *Board Members**
- WFAML Conducting Officer and Managing Director
- WFAML Conducting Officer
- WFAML Risk Manager
- WFAML Compliance Manager
- WFAML Tax Manager
- Chief Investment Officer(s) and Lead Fund Managers of UCITS funds
- Person responsible for Fund Administration at WFAML
- Human Resources: EMEA Human Resources Manager

**Non-independent directors do not receive any remuneration for this function and are therefore out of the scope of the Policy.*

Appendix 2

Wells Fargo's Global Remuneration Governance Structure

Wells Fargo has enhanced its governance structure so that Wells Fargo's variable remuneration practices appropriately balance prudent risk-taking with other remuneration goals. Various bodies within Wells Fargo work together to comprise the remuneration governance structure:

Governance and Strategy

The Human Resources Committee of Wells Fargo's Board of Directors (the "**HRC**"). The HRC discharges Wells Fargo's Board of Director's duties relating to Wells Fargo's overall remuneration strategy. The HRC is responsible for, among other things, establishing, in consultation with senior management, Wells Fargo's overall variable remuneration strategy and overseeing Wells Fargo's variable remuneration practices, including reviewing and monitoring risk-balancing and implementation and effectiveness of risk management methodologies relating to variable remuneration plans and programs for senior executives and employees whose activities, individually or as a group, may expose Wells Fargo to material risk ("Covered Employees" as such term is defined in the *Final Guidance on Sound Incentive Compensation Policies* issued jointly by the Board of Governors of the U.S. Federal Reserve System and other U.S. regulatory agencies, which includes Identified Staff as such term is defined in the EBA Guidelines and UCI Law).

The HRC operates according to the formal terms of its charter which are reviewed regularly in light of best practices and to take into account legal, regulatory and corporate governance developments. The HRC's terms of reference are documented in the HRC Charter, which is available on Wells Fargo's website at https://www.wellsfargo.com/pdf/about/corporate/Human_resources_charter.pdf. The HRC holds at least three regular meetings a year, and may call special meetings. The HRC receives periodic updates on the progress of Wells Fargo's Incentive Compensation Risk Management Program with respect to meeting regulatory expectations and requirements. The HRC's compensation governance framework also includes assessments of risks inherent in executive compensation practices, including the interplay between risk-taking and executive compensation. The HRC will continue to monitor our progress so that our remuneration programs and practices appropriately balance risk-taking consistent with applicable regulatory guidance.

The HRC must have a minimum of three members. All HRC members must meet the definition of a "nonemployee director" under Rule 16b-3 of the U.S. Securities and Exchange Act of 1934, as amended, and be an independent director under the rules of the New York Stock Exchange (NYSE). Wells Fargo's Board of Directors has determined that each current HRC member is independent under applicable standards.

The HRC has responsibility for oversight of all issues related to variable remuneration within Wells Fargo and its duties and responsibilities include:

- Establishing, in consultation with senior management, the overall strategy for the Company with respect to incentive compensation and overseeing the Company's incentive compensation practices to help ensure that they are consistent with the safety and soundness of the Company and do not encourage excessive risk-taking;
- Reviewing and monitoring risk-balancing and implementation and effectiveness of risk management methodologies relating to incentive compensation plans and programs for senior executives and other identified employees in positions to expose the Company to material risk;
- Evaluating the effectiveness of incentive compensation strategy, policy, and methodologies in supporting the Company's goals; and
- Approving senior executive compensation plans and any material changes to those plans, and incentive award decisions.

Policy and Oversight

The Incentive Compensation Committee (the "**ICC**").

Wells Fargo & Company's ("Wells Fargo's") Incentive Compensation Committee ("Committee" or "ICC") is a governance committee established to oversee enterprise-wide efforts related to incentive compensation practices throughout Wells Fargo & Company, its subsidiaries and affiliates ("Company"). To achieve this objective, the Committee shall support and assist Wells Fargo's Human Resources Committee of the Board of Directors ("HRC") and senior management in carrying out their oversight of the Company's incentive compensation practices to ensure incentive compensation aligns with corporate policies and regulatory guidance, regulations and expectations.

Authorities and Responsibilities

The Committee is sponsored by and operates under the authority of the Chief Executive Officer ("CEO") and HRC. It is authorized to perform the oversight responsibilities described in its Charter. The Committee may delegate the authority to perform any of the responsibilities described in this Charter to its reporting and/or sub-committees.

The Committee is chartered to oversee the Incentive Compensation Risk Management ("ICRM") program, compliance with applicable corporate policies and regulatory guidance, regulations and expectations, provide oversight around the design and outcomes of the business line incentive plans, and lead Wells Fargo's enterprise efforts to enhance incentive compensation practices throughout the Company. The HRC is responsible for the oversight and outcomes related to incentive compensation for executives. The ICC's responsibilities include the following:

Enterprise-Wide Incentive Compensation Plan Policies and Standards
- The Committee shall oversee the development, approval and implementation of corporate compensation policies including the ICRM Policy. The Committee shall oversee the maintenance of the policies, and their amendments, as necessary.
- The Committee shall regularly review the enterprise-wide standards for the design and administration of the Company's incentive compensation plans.

Incentive Compensation Practices and Risk Management
- To the extent the Committee identifies issues related to the Company's incentive compensation practices and risk management, the Committee shall designate appropriate representatives from relevant functions to evaluate and, if necessary, manage appropriate solutions in response to these issues.

Monitoring and Oversight
- The Committee shall monitor the Company's incentive compensation practices to align with applicable regulatory requirements.

Address Escalated Issues
- The Committee serves as a management-level governance committee to which key incentive compensation issues are escalated. Issues that may be escalated to the Committee include, but are not limited to:
  - Violation of the enterprise-wide incentive compensation requirements;
  - Events likely to cause material adverse impact to customers, or to the Company's reputation or financial results;
  - Issues that are likely to be discussed with the Company's regulators as well as potential new issues identified by the Company's supervisors (e.g., forthcoming/potential MRAs and MRIAs); and

- Other matters that, based upon a reasonable manager's judgment, may adversely impact the Company.

- For each escalated issue, the Committee shall have the authority to assess the degree to which the owner has identified, assessed, controlled, and mitigated the issue at hand; the Committee may require further actions to be taken by the owner and may require oversight of the issue by the Committee or a designated individual.
- The Committee may further escalate issues that require decision-making from a more senior level of the Company, at its discretion, as noted in the "Decision-making, Escalation, and Reporting" section of this Charter.

The Committee is chaired by the Director of Human Resources and shall have appropriate representation in the areas of human resources, risk management, compliance, audit and legal. Business line representatives shall also serve on a rotational basis. The Committee shall therefore be composed of at least the following members:

- Human Resources Director (Chair)
- Head of Compensation and Benefits
- Chief Risk Officer (Sponsor)
- General Counsel / Proxy
- Senior Business Leaders (Rotational basis)
- Senior Risk Leaders (Rotational basis)

Attendees include:

- Head of Incentive Compensation Governance
- Head of Compensation
- HR Risk and Compliance Manager
- Secretary (Legal Counsel)

The ICC meets at least twice a year. Ad hoc meetings may also be called by the Chairperson as necessary.

The ICC reports to the HRC, the Company's Operating Committee, and senior management, regarding incentive compensation risk management practices, at least annually and more frequently as appropriate.

The WFAML Board is responsible for determining the corporate policy and the course of conduct of the management and business affairs of WFAML, including WFAML remuneration policy. The WFAML Board will be involved along with the ERC and HRC to determine incentive pay.

The Board ensures WFAML's compliance with relevant internal policies and applicable laws and to monitor WFAML's performance against these parameters. The Board shall:

- Approve, or delegate approval authority, of WFAML policies;
- Review and approve the business strategy of WFAML at least annually;
- Appoint a minimum of two conducting persons to oversee the day-to-day responsibilities of WFAML;
- Develop and maintain strong internal controls, specifically a compliance function, internal audit function and permanent risk management function;
- Ensure that internal control systems provide for adequate segregation of duties, in order to prevent conflicts of interest;
- Monitor and periodically assess the effectiveness of WFAML's internal governance structure;
- Set effective strategies and policies to maintain amounts, types and distribution of capital and funding adequate to cover risks to which WFAML is exposed;
- Be active and independent and able to explain its decisions to relevant supervisory authorities, WFAML's parent company and other interested parties;
- Proactively and effectively manage WFAML's relationship with the CSSF and other regulators;

- Set the tone and provide leadership for all WFAML decision-makers and major internal and external communications; and
- Promote high ethical and professional standards and a robust internal control culture.

In support of Wells Fargo's remuneration governance structure, responsibility for oversight of the implementation and supervision of remuneration strategy for Identified Staff employees (as defined below) of Wells Fargo's Europe, Middle East, and Africa ("**EMEA**") entities also lies with the Boards of Directors of each of Wells Fargo's EMEA entities (collectively, the "**EMEA Governing Bodies**"), including the WFAML Board.

The Wells Fargo EMEA Remuneration Committee (the "**ERC**") was established with responsibility to oversee the implementation of Wells Fargo's remuneration policies and practices in EMEA in compliance with applicable laws, rules, regulations and guidance. The ERC is responsible for approval and periodic review of the WFAML Remuneration Policy.

The ERC reports directly to the EMEA Governing Bodies (including the WFAML Board), the Head of the International Group for Wells Fargo and the Senior Human Resources Manager for the International Division of Wells Fargo.

Members of the ERC include the EMEA Regional President, the EMEA Chief Operating Officer, the EMEA Chief Risk Officer, the EMEA Compliance and Operational Risk Director, the EMEA Head of Human Resources, the Head of International Compensation, the Chief Executive Officer of Wells Fargo Bank International ("**WFBI**"), and the Chief Compliance Officer of WFBI. The composition of the ERC continues to be reviewed to ensure it remains appropriate and adequately represents the interests of WFAML.

Execution

Through the Incentive Compensation Risk Management "ICRM" Program and subject to the oversight of Corporate Human Resources, each line of business within Wells Fargo is accountable for identifying employees whose activities, individually or as a group, may expose Wells Fargo to material risk. Each line of business is responsible for understanding the risk associated with each job covered by an incentive arrangement and making sure the incentive arrangements of the line of business are balanced and do not encourage imprudent risk-taking.

In addition, the management teams within Wells Fargo's international locations are responsible for overseeing implementation and supervision of Wells Fargo remuneration policies and practices in those locations. The EMEA Remuneration Committee oversees the implementation of Wells Fargo's remuneration policies and practices in EMEA, including for WFAML, so that EMEA and WFAML remuneration practices align with appropriate levels of risk-taking and Wells Fargo EMEA's and WFAML's business strategies, objectives, values and long-term interests, and avoid conflicts of interest. The EMEA Remuneration Committee reviews and monitors Wells Fargo EMEA strategy as it relates to remuneration design for Identified Staff and those employees performing services for WFAML who, individually or collectively, may be in positions to expose Wells Fargo or WFAML to material risk.

The WFAML Board has appointed two conducting officers who form a Committee of Conducting Persons of the Management Company and are jointly responsible for the execution of the decisions taken by the Board and the effective management of the funds managed by the Management Company.

The Conducting Officer and Managing Director is responsible for:
- WFAML Managing Director and Primary CSSF Contact
- Investment Management
- Distribution
- Bank Secrecy Act and Anti Money Laundering/Know Your Customer

- Client Service
- Transfer Agency (including Late Trading/Market Timing), Fund Accounting (including Fair Valuation), and Custody
- Product Development
- Internal Audit
- Oversight of Delegations – Fund Administration/Transfer Agency, Depository, Investment Management and Distribution

The second Conducting Officer is responsible for:
- Risk Management
- Investment Compliance
- Regulatory Compliance
- Data Privacy
- WFAML Domiciliation and Administration
- Finance (including Expense Management and Capital Adequacy)
- External Audit and LFAR (WFAML and UCITS)

Disclosure

WFAML adopts a proportionate approach to disclosure relevant to its size, scope, complexity and risk profile.

1) External disclosure

a) The annual report for each WFAML fund generally shall disclose the following information:
   - The number of Identified Staff
   - The total amount of remuneration paid to Identified Staff (including those Identified Staff employed by delegates) for the financial year, split into fixed and variable remuneration, the number of Identified Staff, and where relevant, any amount paid directly by the UCITS itself, including any performance fee;
   - Number of employees within WFAML and the aggregate amount of remuneration broken down by categories of employees;
   - A description of how remuneration and benefits have been calculated;
   - The outcome of the annual reviews of the principles and implementation of the WFAML Remuneration Policy by the management body, including any irregularities that have occurred;
   - Material changes to the adopted WFAML Remuneration Policy.

b) The prospectus and/or KIID (where appropriate) of the UCITS funds shall also include a summary of the WFAML Remuneration Policy and/or other information specified in the relevant law and regulation, as well as the website address at which the full WFAML Remuneration Policy can be found, and note that a paper copy will be made available free of charge upon request.

2) Internal Disclosure

WFAML shall ensure that all of its employees are kept informed about their remuneration, the criteria used to measure their performance and the link between performance and pay (through the intranet platform, for example). A paper copy of the WFAML Remuneration Policy will be available free of charge upon request to the WFAML Conducting Officer or Human Resources.

Independent Assessment

The internal auditors and Wells Fargo Audit Services (WFAS) provide independent assessment of (1) implementation of the incentive risk management process in each line of business, and (2) compliance and documentation at both the business and corporate levels, including the WFAML Remuneration Policy.