Wells Fargo Asset Management Luxembourg S.A.
Société anonyme
19, rue de Bitbourg L-1273 Luxembourg
R.C.S. Luxembourg B192268

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 the undertakings for collective investment, as amended from time to time (the "**UCI Law**") "), including application of the principle of proportionality as appropriate based on the size, internal organisation, and nature, scope and complexity of WFAML's activities.

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 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 any other applicable law, regulation or CSSF circular and effect such modifications and amendments to this WFAML Remuneration Policy as necessary in that event.

To the extent that WFAML delegates asset management functions to a third-party entity or an affiliate, WFAML shall (a) ensure that (i) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA guidelines on sound remuneration policies under the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated and (b) confirm that the remuneration of staff engaged in performance of such delegated duties and responsibilities are remunerated under such entity's policies and practices in accordance with Capital Requirements Directive IV (Directive 2013/36EU of the European Parliament and of the Council of 26 June 2013) requirements (the "**CRD IV Requirements**").

2. Responsibility and Review

Wells Fargo applies an enterprise-wide approach to remuneration policies and practices for Wells Fargo, it subsidiaries and affiliates (collectively the "**Company**") many of which are incorporated in, and made a part of, this WFAML Remuneration Policy.[1] In addition to the enterprise-wide remuneration policies and practices, WFAML is responsible for the design, maintenance and oversight of this WFAML Remuneration Policy.

The remuneration strategy for officers and employees of the Company is subject to the oversight of Wells Fargo's 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 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.

The Wells Fargo EMEA Remuneration Committee (the "**Oversight Committee**") 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 Oversight 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 the avoidance of conflicts of interest;

(b) reviewing EMEA, including WFAML, remuneration practices so that they are consistent with and promote of 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[2] employees;

(d) 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

[1] Wells Fargo's global remuneration governance structure is described in Appendix 2.
[2] In addition to Identified Staff subject to this WFAML Remuneration Policy, other Wells Fargo Identified Staff include individuals performing services for other Wells Fargo EMEA entities subject to the applicable regulatory regime of other relevant European Union (EU) countries (and EU requirements under Capital Requirements Directive (CRD) III, CRD IV and relevant Committee of European Banking Supervisors (CEBS)/European Banking Authority (EBA) guidelines as determined with reference to the EBA FINAL draft regulatory technical standards on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile under Article 94(2) of Directive 2013/36/EU.

(e) 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 ERC, 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 Oversight 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 Oversight Committee 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 itself (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, equity, or equity-linked instruments) or non (directly) monetary benefits (such as health insurance, fringe benefits or special allowances for car, mobile phone, etc.). 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.

Parts of the Remuneration Policy apply to all employees (see Section 4) of WFAML and additional parts may only apply to certain specified employees (see Section 5), though currently, WFAML does not employ any staff directly.

4. Corporate Practices and requirements applicable to all employees

Remuneration Philosophy. 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 company, line of business and individual performance.

(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.

<u>Remuneration Structure</u>. 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.

<u>Approach</u>. Wells Fargo's Corporate Human Resources working in conjunction with line of business Human Resources, assigns 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 function job title is identified.

<u>Total Cash Compensation</u>. All Wells Fargo jobs are priced following a review of Total Compensation identified in the market survey data for comparable jobs in the external markets in which Wells Fargo operates. The market survey data includes a comparison of the ratio between fixed and variable remuneration for comparable jobs in the market. At Wells Fargo, we generally target the median of the market (although adjustments may be made based on job content, significant responsibilities or a narrow scope, level of risk and allowances if applicable).

<u>Fixed Remuneration</u>. Taking market survey data into account, the percentage of Total Compensation attributable to fixed remuneration is backed out and identified as the fixed remuneration target (often referred to as the "**Market Reference Point**" or "**MRP**"). An appropriate, competitive fixed remuneration range is then identified generally ranging by a reasonable percentage on each side of the target (i.e., the "threshold" fixed remuneration amount and the "maximum" remuneration amount for each job). Generally, employees are paid a rate of fixed remuneration within the identified range for the job.

<u>Variable Remuneration</u>. For bonus-eligible jobs, a bonus target for most jobs is informed by market data and, careful consideration is given so that 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. Wells Fargo's Corporate Human Resources designs and administers the long-term incentive plans (cash and equity), and with the assistance of the relevant lines of business, the corporate annual discretionary bonus plan. Lines of business design and administer business specific commission or revenue sharing remuneration plans.

<u>Discretionary Annual Incentive</u>. Variable remuneration 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. 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 identified for each job relative to the fixed remuneration amount (commonly referred to as the "variable bonus target"). If, however, Corporate Human Resources and line of business Human Resources have concerns with the available market data and therefore do not have an established variable bonus 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. At Wells Fargo, annual discretionary bonus opportunities are subject to Wells Fargo achieving an annual corporate performance goal. The annual corporate performance objective is determined by the HRC, and even if the corporate performance objective 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. Incentive plans are designed to provide for adjustments down to 0 and up to 15% of the maximum level, subject to the approval of the Group Head for the employee's line of business and the Director of Human Resources; provided, that no award may exceed 115% of the maximum level identified for the job.

<u>Risk Adjustment Features in Variable Remuneration Plans</u>. 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.

(i) 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.)

(ii) 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.)

(iii) Diminishing Marginal Payouts: Reduces the incentive for taking incremental risk.

(iv) 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.

(v) Extended Performance Measurement Period: Variable remuneration based on risk outcomes measured over more than 12 months.

(vi) Deferrals: Payouts deferred for periods greater than 12 months until risk outcomes are known, and payments adjusted by a performance metric.[3]

[3] Currently, Wells Fargo applies a firm-wide deferral requirement to annual bonus amounts in excess of US$1,075,000, provided the payments are not subject to separate deferral requirements in the particular business line variable remuneration plans that are the source of the payments or are paid out under business line plans that are exempt from this requirement based on market pay practices and an assessment that the business does not

(vii) Clawbacks: Clawback provisions if, after payment of the variable remuneration, it is determined that such payment violated any applicable law, rule or regulation.

Employee performance and remuneration are reviewed annually. Individual merit 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.

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 Section 1.3 of the CEBS 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:

  (i) 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

  (ii) Further Wells Fargo standards and practices discussed in paragraphs (h) and (i) 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.

- 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 Oversight Council, 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.

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present material risk to Wells Fargo. Amounts subject to this requirement are currently deferred over a three-year period.

- 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.

- 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 will generally be based on three objectives: Corporate Performance, Line of Business Performance and Other (i.e., function or line of business specific but mutually exclusive from the Corporate and Line of Business performance 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.[4]

  - 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.

- 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.

[4] For WFAML control function employees subject to the WFAML Remuneration Policy, no portion of their annual bonus may be tied to the performance of the line of business they support.

- 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 are 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 or 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.

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

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**

The ESMA guidelines on sound remuneration policies under the UCITS Directive (‘**ESMA Guidelines’**), in consultation phase at the time of writing, set out certain requirements of the Remuneration Guidelines for which extent of application is subject to an assessment of proportionality of the relevant institutions, notably the requirements on the pay-out process in respect of variable remuneration in instruments; retention; deferral; and ex post incorporation of risk for variable remuneration; and the requirement to establish a remuneration committee for which guidelines are given below in Section 11.2 (Remuneration committee). The remuneration policy will be reviewed to assure they reflect the final ESMA Guidelines on publication and the proportionality status for WFAML.

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Appendix 1

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 CEBS Guidelines, 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 "non-employee 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 Steering Committee (the "**ICSC**"). The ICSC was chartered by the HRC during 2010 to oversee program compliance with applicable regulations and corporate policies, provide oversight for the design and administration of business line incentive plans, and lead Wells Fargo's enterprise efforts to enhance incentive compensation practices throughout the Company. The ICSC has accountability for setting variable remuneration guidelines and methodologies consistent with the framework established by the HRC, and oversees effective implementation of appropriate incentive compensation risk management practices across Wells Fargo. The ICSC is chaired by Wells Fargo's Corporate Human Resources Director; its executive sponsors are the Chief Administrative Officer and the Chief Risk Officer. The committee is composed of representatives from all major control functions, as well as each lines of business:

Chief Risk Officer (Executive Sponsor)
Chief Administrative Officers (Executive Sponsor)
Human Resources Director (Chair)
Chief Operational Risk Officer
Treasurer
Chief Auditor
General Counsel
Representatives from the lines of business
Law Department Representative (Secretary)

The ICSC includes the full membership of Wells Fargo's Enterprise Risk Management Committee (ERMC), whose role is to understand the composite risk portfolio of the Company and to work with management across the Company to ensure risks are managed effectively. Importantly, ERMC representation ensures that Wells Fargo's variable remuneration review practices align with broader risk management practices.

The ICSC meets at least once a year, at a minimum to review new remuneration plans for the coming year and then possibly again once to review any significant changes or issues that have arisen during the year.

The ICSC:

- Oversees incentive compensation risk management policies, processes and outcomes;
- Reports as appropriate to the HRC regarding incentive compensation risk management practices.

The ICSC continues to oversee the further development and implementation of Wells Fargo's Incentive Compensation Risk Management Program, which is the key tenet of our work to manage risk in incentive compensation arrangements throughout Wells Fargo. The ICRM Program is designed and managed by Corporate Human Resources, with input from an advisory council of senior managers from Wells Fargo's corporate functions and lines of business, including control functions, on development and management of the ICRM Program. Corporate Human Resources is responsible for applying the HRC-established remuneration policies and procedures to the remuneration of senior management, senior employees engaged in Wells Fargo's different lines of business, and other employees who are eligible for incentive compensation arrangements. In addition, Corporate Human Resources has functional oversight accountability for all variable remuneration plans jointly with Corporate Risk, and provides essential recommendations and guidance to the ICSC. Corporate Human Resources is responsible for the oversight of incentive compensation risk management efforts, including methodologies and processes necessary to design and manage incentive compensation arrangements, and to analyse and report on incentive compensation matters across the company. Corporate Human Resources is responsible for ensuring that variable remuneration plans are reviewed on a regular basis and that those reviews reinforce Wells Fargo policies and procedures. Corporate Human Resources provides advice, guidance and partnership support to line of business leaders to assist in the implementation of the variable remuneration plans within the lines of business.

The operational application of the remuneration strategy to employees of WFAML is monitored by Wells Fargo's EMEA Remuneration Committee **(the "Oversight Committee")** whose members include the Regional President of Wells Fargo's European, Middle Eastern and African entities **("EMEA")**, 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 Oversight Committee reports to the Head of the International Group for Wells Fargo and the Senior Human Resources Manager for the International Division of Wells Fargo as well as the WFAML Board, which are responsible for overseeing the implementation of Wells Fargo's remuneration policies and practices in EMEA, including for WFAML, in compliance with applicable laws, rules, regulations and regulatory guidance.

Execution

Through the 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 business' incentive arrangements 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 Oversight 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 the avoidance of conflicts of interest. The Oversight 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.

Independent Assessment

Wells Fargo Audit Services (WFAS) provides independent assessment of implementation of the incentive risk management process in each line of business, and compliance and documentation at both the business and corporate levels.

Effective date

This policy has been last approved on 9 March 2016 by the WFAML Board of Directors and on 9 March 2016 by the senior management of WFAML.

This policy will be reviewed annually and whenever required.

WFAML reserves the right to amend this procedure 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, Laurence Magloire
Date First Issued:	13 November 2014