



UBS Fund Management (Ireland) Limited Remuneration Policy (extract) 24 April 2024

Purpose

This document is an extract of the remuneration policy of UBS Fund Management (Ireland) Limited ("UBSFMI" or the "Company").

Background

UBSFMI is a wholly owned subsidiary within the UBS Group AG group ("UBS" or the "Group"). UBS has a comprehensive compensation framework in place, which includes:

- A Group-wide system to measure the performance of employees; and
- UBS's Total Reward Principles.

A sub-committee of the board of directors of UBS is charged with overseeing the Group's compensation framework (the Compensation Committee). A description of the Group's compensation practices is available on www.ubs.com/investors ¹

Policy²

UBSFMI's policy regarding remuneration is:

1. to comply with UBS compensation policies, principles and procedures, including those dealing with performance measurement and management and UBS's Total Reward Principles while also including measures to avoid any conflicts of interest or incentive;
2. to apply its remuneration policy according to its size, internal organisation and the nature, scope and the complexity of its activities; and
3. to comply with any legal or regulatory requirements to which UBSFMI is subject (e.g. as a result of AIFMD, UCITS V or MiFID II (where applicable)) which may be incremental to UBS compensation policies and principles.

Performance Evaluation

Employee objectives are set annually and their performance is evaluated against these objectives on a periodic basis (at least annually). UBSFMI considers and monitors the ongoing sustainability-related regulatory change. Pursuant to Regulation (EU) 2019/2088, this statement provides information as to how the remuneration policy is consistent with the integration of sustainability risks. 'Sustainability risk' is defined as an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. UBS's approach to compensation globally is underpinned by the Total Reward Principles, which establish a framework with a focus on conduct and sound risk management practices. Employees are assessed and rewarded for their achievement against a range of financial and non-financial goals, including risk management. Where applicable, the risk management goal will include a consideration of sustainability risk. Where sustainability risks form part of an employee's performance objectives, they are taken into account into the qualitative performance assessment, which, in turn, is one of the factors that determines an employee's total remuneration. This approach to employee's remuneration is outlined in the remuneration policy.

UBS Total Reward Principles

These principles apply to all employees of UBS, including those of UBSFMI. The key elements are as follows:

¹ The 2023 UBS Compensation Report is included in the "Financial information" and "Annual reporting" section of www.ubs.com/investors.

² Remuneration and similar incentives shall not be solely or predominantly based on quantitative commercial criteria, and shall take fully into account appropriate qualitative criteria reflecting compliance with the applicable regulations, the fair treatment of clients and the quality of services provided to clients. A balance between fixed and variable components of remuneration shall be maintained at all times, so that the remuneration structure does not favor the interests of the Company or its relevant persons against the interests of any client.



- Attract and engage a diverse, talented workforce
- Foster effective individual performance management and communication
- Align reward with sustainable performance
- Support appropriate and controlled risk-taking in accordance with the risk profile and instruments of incorporation of UBSFMI and the funds it manages

In addition, UBS Total Reward Principles defines Key Risk Takers ("Risk-Takers") as *"... individuals who, by the nature of their role, have been determined to materially commit or control the firm's resources and/or exert significant influence over its risk profile."* Risk-takers are subject to an additional evaluation by the relevant control functions. Further, as in the case of other high-earning or senior employees, a significant proportion of their annual variable compensation is deferred over a longer deferral period and is subject to additional performance conditions. The population of risk-takers is identified and reviewed on a regular basis. Local regulations may require additional provisions or restrictions for the affected employees.

Implementation and monitoring

Senior management of the Company shall be responsible for the day-to-day implementation of the remuneration policy and the monitoring of compliance risks related to the policy.

Approval of Policy

The Remuneration Policy is reviewed on an annual basis and approved periodically by the board of directors of UBSFMI.



Appendix – Additional disclosures

Background

Re UCITS: UBS Fund Management (Ireland) Limited (the "Manager") has been authorised by the Central Bank of Ireland ("CBI") as UCITS Management Company under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "Regulations"). The Manager is subject to the relevant articles of the Regulations dealing with remuneration, including the Guidelines on Sound Remuneration Policies under the UCITS Directive (the "Guidelines") published by the European Securities and Markets Authority (ESMA/2016/575).

Re AIFMD: UBS Fund Management (Ireland) Limited (the "Manager") has been authorised by the Central Bank of Ireland ("CBI") as an Alternative Investment Fund Manager under the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended (the "Regulations"). The Manager is subject to the relevant articles of the Regulations dealing with remuneration, including the Guidelines on Sound Remuneration Policies under the AIFMD (the "Guidelines") published by the European Securities and Markets Authority (ESMA/2013/232).

The Manager is a wholly owned subsidiary of UBS AG and is part of the UBS group. The Manager has a remuneration policy in place which is consistent with the UBS group remuneration policy. The Manager's policy was developed by senior management of the Manager, reviewed by the Human Resources function of UBS and approved by the Manager's board of directors. A summary of the key aspects of the UBS group remuneration practices is described in the following paragraphs.

UBS Compensation Governance and Philosophy

As determined in the Articles of Association and UBS's Organization Regulations, the UBS Group Compensation Committee supports the board of directors of UBS (the "BoD") in its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive performance. The Compensation Committee consists of independent BoD members, who are elected annually by UBS shareholders at the Annual General Meeting (the AGM), and is responsible for governance and oversight of the UBS compensation process and practices. This includes the alignment between pay and performance, and ensuring that the compensation framework supports appropriate risk awareness and management, as well as appropriate risk-taking. In 2023, to additionally support the connection between the Compensation Committee and the Risk Committee, the Compensation Committee Chairperson was also a member of the Risk Committee. The Risk Committee, a committee of the BoD, works closely with the Compensation Committee with the goal of ensuring that the compensation framework appropriately reflects risk awareness and management, and supports appropriate risk-taking. It supervises and sets appropriate risk management and risk control principles and is regularly briefed on how risk is factored into the compensation process. It also monitors the involvement of Group Risk Control and Compliance and Operational Risk in compensation and reviews risk-related aspects of the compensation process.

All elements of pay are considered when making UBS compensation decisions. UBS regularly review its principles and compensation framework in order to remain competitive and aligned with stakeholders' interests. In 2023, the UBS compensation framework remained broadly unchanged. UBS will continue to review our approach to salaries and performance awards, considering market developments, our performance and our commitment to deliver sustainable returns to shareholders.

UBS's compensation approach supports the firm's purpose and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders. The compensation structure encourages employees to have a focus on risk management and behave consistently with the firm's risk framework and appetite, thereby anticipating and managing risks effectively to protect UBS's capital and reputation. Compensation is appropriately balanced between fixed and variable elements and delivered over an appropriate period to support UBS's growth ambitions and sustainable performance. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which UBS operates. At UBS, a holistic Total Reward approach is applied, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. UBS's Total Reward approach is structured to support



sustainable results and growth ambitions. The Total Reward Principles apply to all employees globally, but may vary in certain locations due to local legal requirements, regulations and practices.

UBS's compensation philosophy focuses on balancing performance with appropriate risk-taking, retaining talented employees and shareholder returns. Its overall performance award pool funding percentage reduces as financial performance increases. In years of strong financial performance, this prevents excessive compensation and results in an increased proportion of profit before performance awards being available for distribution to shareholders or growing the Group's capital. In years where performance declines, the performance award pool will generally decrease; however, the funding percentage may increase. UBS's performance award pool funding framework is based on Group and business division performance, including achievements against defined performance measures. For the avoidance of doubt, UBS have excluded the positive and negative financial impacts generated by the acquisition of the Credit Suisse Group (such as the negative goodwill of USD 27.7bn) from consideration in the UBS performance award pool determination process. In assessing performance, UBS consider relative performance versus peers, market competitiveness of its pay position, as well as progress against strategic and integration objectives, including returns, risk-weighted assets and cost efficiency.

The Risk and Compliance functions support UBS's holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters. UBS further considers the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including accountability for significant events. The funding for Group Functions is linked to overall Group performance and reflects headcount, workforce location and demographics. For each functional area, quantitative and qualitative assessments evaluate service quality, risk management and financial achievements.

UBS's decisions regarding the performance award pool also balance consideration of financial performance with a range of factors, including diversity, equity and inclusion ("DE&I") and other environmental, social and governance ("ESG") metrics, the impact of litigation, regulatory costs, the effect of changes in financial accounting standards, capital returns, and relative total shareholder return.

UBS Material Risk Takers and Key Risk Takers

For relevant EU- or UK-regulated entities, UBS identifies individuals who are deemed to be Material Risk Takers (MRTs) based on sectorial and / or local regulatory requirements, including the respective EU Commission Delegated Regulation, the fifth iteration of the EU Capital Requirements Directive (CRD V) and equivalent UK requirements, as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly compensated employees. For 2023, UBS identified 1,321 MRTs in relation to its relevant EU or UK entities. The increase in the number of MRTs compared with last year has been driven by the MRT population identified in relation to Credit Suisse legal entities. Subject to individual or legal-entity level proportionality considerations, variable compensation awarded to MRTs is subject to additional deferral and other requirements. For CRD-relevant entities, these include a minimum deferral rate of 40% or 60% (depending on role / variable compensation level) on performance awards and delivery of at least 50% of any upfront performance award in UBS shares that are vested but blocked for 12 months after grant. Deferred awards granted to MRTs under UBS's deferred compensation plans for their performance in 2023 are subject to 6- or 12-month blocking periods post vesting and do not pay out dividends or interest during the deferral period. Additionally, MRTs are subject to a maximum ratio between fixed and variable pay. Across EU locations, the maximum variable to fixed compensation ratio is set to 200%, based on approval through relevant shareholder votes. For UK-regulated MRTs, the maximum ratio was set by UBS taking into account the business activities and prudential and conduct risks of the relevant legal entities. In addition, the maximum ratios were set considering the scenario that the relevant legal entities might exceed their financial objectives. The maximum ratio for all UK-regulated MRTs was approved by the compensation committees of the relevant entities in December 2023. For up to seven years after grant, performance awards granted to MRTs are subject to clawback provisions, which allow UBS to claim repayment of both the upfront and the vested deferred element of any performance award if an individual is found to have contributed substantially to significant financial losses for the UBS



Group or UBS corporate structure in scope, a material downward restatement of disclosed results, or engaged in misconduct and / or failed to take expected actions, thus contributing to significant reputational harm.

Key Risk Takers (KRTs) are defined as those employees that, by the nature of their roles, have been determined to materially set, commit or control significant amounts of the firm's resources and / or exert significant influence over its risk profile. This includes employees working in front-office roles, logistics and control functions. Identifying KRTs globally is part of our risk control framework and an important element in ensuring we incentivize only appropriate risk-taking. For 2023, in addition to the Group Executive Board ("GEB") members, 1,038 employees were classified as KRTs throughout the UBS Group globally, including all employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees), who may not have been identified as KRTs during the performance year. Compared with 2022, the increase in the number of KRTs has been driven by the inclusion of Credit Suisse employees in the identification process. In line with regulatory requirements, the performance of employees identified as KRTs during the performance year is evaluated by the control functions. In addition, KRTs' performance awards are subject to a mandatory deferral rate of at least 50%, regardless of whether the deferral threshold has been met (excluding KRTs with de minimis performance awards below a predetermined threshold where standard deferral rates apply). Consistent with all other employees, the deferred portion of a KRT's compensation is also subject to forfeiture or reduction if the KRT commits harmful acts.

UBS Fixed compensation

Employees' fixed compensation (e.g., base salary) reflects their level of skill, role and experience, as well as local market practice. Base salaries are usually paid monthly or fortnightly, in line with local market practice. UBS offers competitive base salaries that reflect location, function and role. Salary increases generally consider promotions, skill set, performance and overall responsibility. In addition to base salary, and as part of fixed compensation, some employees may receive a role-based allowance. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation. It reflects the market value of a specific role and is fixed, nonforfeitable compensation. Unlike salary, a role-based allowance is paid only if the employee is in a specific role. Similar to previous years, 2023 role-based allowances consisted of a cash portion and, where applicable, a blocked UBS share award.

UBS provides a range of benefit plans, such as retirement benefits and health insurance, aiming to provide financial protection in case of significant life events, and support its employees' well-being and diverse needs. Retirement and other benefits are set in the context of local market practice and regularly reviewed for competitiveness. Pension plan rules in any one location are generally the same for all employees, including GEB members and other management. There are no enhanced or supplementary pension contributions for the GEB.

UBS Variable compensation

Most of UBS's employees are eligible for an annual performance award. The level of this award, where applicable, generally depends on the firm's overall performance, the employee's business division, team and individual performance, and behaviour, reflecting their overall contribution to the firm's results. These awards are in line with applicable local employment conditions and at the discretion of the firm.

In addition to the firm's Pillars (capital strength, simplification/efficiency and risk management) and Principles (client centricity, connectivity, sustainable impact), Behaviours related to accountability with integrity, collaboration and innovation are part of the performance management approach. Therefore, when assessing performance, UBS considers not only what was achieved but also how it was achieved.

Underlining UBS's emphasis on sustainable performance and risk management, and its focus on achieving its growth ambitions, UBS delivers part of the employees' annual variable compensation through deferred compensation plans. UBS believes that its approach, with a single incentive decision and a mandatory deferral, is transparent and well suited to implementing its compensation philosophy and delivering sustainable performance. This aligns the interests of its employees and shareholders and appropriately links compensation to longer-term sustainable performance.



Deferred compensation is delivered through a combination of equity-based plans and a contingent capital plan. The equity-based plans are (i) the Long-Term Incentive Plan (LTIP) which is for UBS's GEB members, and (ii) the Equity Ownership Plan (EOP), which is for all other employees and which primarily aligns employee interest with those of UBS's shareholders. The Deferred Contingent Capital Plan (DCCP) aligns employees' interests with the interests of debt holders.

The mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000. Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to additional requirements (e.g., more stringent deferral requirements, additional blocking periods). In addition, SMFs and MRTs receive 50% of their non-deferred portion in the form of immediately vested shares, which are blocked for 12 months after grant.

The deferred amount increases at higher marginal rates in line with the value of the performance award. The effective deferral rate therefore depends on the amount of the performance award and the amount of total compensation. UBS believes its deferral regime has one of the longest vesting periods in the industry. The weighted average deferral period for non-regulated employees is 4.4 years for GEB members, 3.8 years for MDs receiving Long Term Incentive Plan ("LTIP") and 3.5 years for other employees. Additionally, from time to time, UBS may utilize alternative deferred compensation arrangements to remain competitive in specific business areas. To further promote sustainable performance, all of UBS's deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause. UBS's share delivery obligations related to notional share awards are satisfied by delivering treasury shares, which are purchased in the market, to employees at vesting.

The Equity Ownership Plan (the "EOP") is the deferred compensation plan for employees that are subject to deferral requirements but do not receive LTIP awards. For the 2023 performance year, we granted EOP awards to 4,661 employees. Delivering sustainable results is a key objective for UBS. EOP creates a direct link with shareholder returns as a notional equity award and has no upward leverage. This approach promotes growth and sustainable performance. EOP awards generally vest over three years.

The Deferred Contingent Capital Plan ("DCCP") is a key component of UBS's compensation framework and supports alignment of the interests of senior employees with those of UBS's stakeholders. All employees subject to deferral requirements receive DCCP awards. For the 2023 performance year, UBS granted DCCP awards to 5,562 (2022 – 4,326) employees. DCCP is consistent with many of the features of the loss-absorbing bonds that UBS issues to investors and may be paid at vesting in cash or, at the discretion of the firm, a perpetual, marketable additional tier 1 (AT1) capital instrument. Employees can elect to have their DCCP awards denominated in Swiss francs or US dollars. DCCP awards vest in full after five years (longer deferral periods may apply for regulated employees). DCCP awards bear notional interest paid annually (except as limited by regulation for MRTs), subject to review and confirmation by the Compensation Committee. The notional interest rate for grants in 2024 was 4.60% for awards denominated in Swiss francs and 8.30% for awards denominated in US dollars. These interest rates are based on the current market rates for similar AT1 capital instruments issued by UBS Group. Awards are forfeited if a viability event occurs, i.e., if FINMA notifies the firm that the DCCP awards must be written down to mitigate the risk of an insolvency, bankruptcy or failure of UBS or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down for GEB members if the Group's CET1 capital ratio falls below 10% and for all other employees if it falls below 7%.

UBS Control Functions

UBS control functions must be independent in order to monitor risk effectively. Therefore, their compensation is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based not on the performance of these businesses, but on the performance of the Group as a whole. UBS also considers other factors, such as how effectively the function has performed, and UBS's market position. Decisions on individual compensation for the senior managers of the control functions are made by the function heads and



approved by the Group CEO. Decisions on individual compensation for the members of Group Internal Audit (GIA) are made by the Head GIA and approved by the Chairman. Following a proposal by the Chairman, total compensation for the Head GIA is approved by the Compensation Committee.

Environmental, Social and Governance

UBS compensation determination process considers environmental, social and governance (“ESG”) objectives in objective setting, performance award pool funding, performance evaluation and individual compensation decisions. ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, UBS introduced explicit sustainability objectives in the non-financial goal category of the Group CEO and GEB performance scorecards. In 2023, UBS further enhanced the GEB performance scorecard framework by establishing separate Environmental & Sustainability and People & Governance categories. The objectives in these categories are linked to the UBS sustainability priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. Sustainability objectives are assessed for each GEB member on an individual basis, directly impacting their respective performance assessments and compensation decisions. The determination of the Group performance award pool funding also takes into account ESG factors. Aside from financial performance, an assessment of progress is made against objectives linked to the UBS focus areas of Planet, People (including progress made against the UBS diversity aspirations) and Partnerships, alongside other key non-financial considerations. Therefore, ESG is taken into consideration when the Compensation Committee assesses performance and compensation of each GEB member. Additionally, the assessment impacts the overall performance award pool for the Group. Going forward, UBS will continue to review and refine the role of ESG considerations in the UBS performance and compensation framework, to ensure they remain aligned to our strategic priorities and the sustainable growth of shareholder value.

UBS's commitment to pay fairness, diversity, equity and inclusion

Pay equity and equal opportunity are fundamental to achieving UBS's purpose. The diversity of UBS's employees in terms of experiences, perspectives and backgrounds is critical to UBS's success. Factors such as gender, race, ethnicity or part-time status should not impact opportunities available to UBS employees. Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. UBS pay for performance, and it takes pay equity seriously. UBS have embedded clear commitments in our global compensation policies and practices. UBS regularly conduct internal reviews and independent external audits on pay equity, and its statistical analyses show a differential between men and women in similar roles across our major locations of less than 1%. In 2020, UBS completed an equal pay analysis in Switzerland, as required by the Swiss Federal Act on Gender Equality. The results confirmed that UBS are fully compliant with Swiss equal pay standards. Beginning in 2020, UBS was certified (through 2023) by the EQUAL-SALARY Foundation for our HR practices, including compensation, in Switzerland, the US, UK, the Hong Kong SAR and Singapore, covering more than two-thirds of the UBS global employee population. All of the UBS HR policies are global, and UBS apply the same standards across all locations. Furthermore, UBS reviews our approach and policies annually to support our continuous improvement. In 2023, UBS fully integrated former Credit Suisse Group employees into all of its fair pay practices and continued to monitor and improve its pay equity position in our leading countries. UBS also aim to ensure that all employees are paid at least a living wage. UBS regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Excluding the UBS US financial advisor staff (as their compensation is primarily based on a formulaic approach), its analysis in 2023 showed that employees' salaries were at or above the respective benchmarks.

Increasing the UBS gender and ethnic diversity is a strategic priority. UBS want to support and enable more women to build long and satisfying careers with UBS, and UBS is committed to increasing the representation of women at senior levels. Equally, investing in attracting, supporting and advancing its ethnically diverse employees is a key focus for UBS. UBS takes a multi-pronged approach, examining the process, culture and organization design elements around hiring, promoting and retaining women and ethnic minority background employees at all levels, and senior management are accountable for driving change.



Further information

Further details on the UBS policy and practices can be found in the 2023 Compensation Report and the 2023 Annual Report of UBS Group AG, both of which are available on www.ubs.com.

Proportionality – re UCITS

Given the small size and non-complex nature of the Manager, it has applied the proportionality provisions of the Guidelines. The below information provides the total remuneration paid by the Manager during the year to 31 December 2023. There is no allocation made by the Manager to each UCITS and as such the disclosure reflects the remuneration paid by the Manager in relation to work performed on all UCITS, as well as the remuneration paid by the Manager in relation to work performed on non-UCITS (e.g. AIF funds).

Of the total remuneration paid of EUR 3,524,231 for the year ended 31 December 2023 to 24 beneficiaries, EUR 2,573,031 (73%) has been paid as fixed remuneration. The remainder (27%) is variable remuneration. Remuneration code staff consists of those whom the Manager has determined undertake professional activities which have a material impact on the risk profiles of the Manager or of the AIFs, namely the board of directors of the Manager, senior management, material risk takers, control function staff, as well as high-earning staff members (i.e. whose total remuneration falls into the remuneration bracket of senior managers and risk takers who are not already in the above categories and who have a material impact on the risk profile of the Company or of the funds it manages). There are 16 individuals who meet this definition and their total remuneration was EUR 2,833,731, split EUR 1,941,730 (69%) as fixed remuneration and the remainder (31%) as variable remuneration.

Proportionality – re AIFMD

Given the small size and non-complex nature of the Manager, it has applied the proportionality provisions of the Guidelines. The below information provides the total remuneration paid by the Manager during the year to 31 December 2023. There is no allocation made by the Manager to each AIF and as such the disclosure reflects the remuneration paid by the Manager in relation to work performed on all AIFs, as well as the remuneration paid by the Manager in relation to work performed on non-AIFs (e.g. UCITS funds).

Of the total remuneration paid of EUR 3,524,231 for the year ended 31 December 2023 to 24 beneficiaries, EUR 2,573,031 (73%) has been paid as fixed remuneration. The remainder (27%) is variable remuneration. Remuneration code staff consists of those whom the Manager has determined undertake professional activities which have a material impact on the risk profiles of the Manager or of the AIFs, namely the board of directors of the Manager, senior management, material risk takers, control function staff, as well as high-earning staff members (i.e. whose total remuneration falls into the remuneration bracket of senior managers and risk takers who are not already in the above categories and who have a material impact on the risk profile of the Company or of the funds it manages). There are 16 individuals who meet this definition and their total remuneration was EUR 2,833,729, split EUR 1,941,730 (69%) as fixed remuneration and the remainder (31%) as variable remuneration.