Part 1 – aspects of this Policy applicable to all AAM UK companies

1. Company Information

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Aegon Asset Management plc</th>
<th>Aegon Asset Management Limited</th>
<th>Aegon Asset Management UK Holdings Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FRN</strong></td>
<td>144267</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Business Type</strong></td>
<td>Asset Management</td>
<td>Appointed Representative of Scottish Equitable plc</td>
<td>Holding Company</td>
</tr>
<tr>
<td><strong>FCA Remuneration Code(s)</strong></td>
<td>SYSC 19A, 19B and 19E</td>
<td>N/A – unregulated entity</td>
<td>N/A – unregulated entity</td>
</tr>
<tr>
<td><strong>Proportionality Tier</strong></td>
<td>3</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Individual Guidance Received from FCA</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Aegon Asset Management Limited, Aegon Asset Management UK plc and Aegon Asset Management UK Holdings Limited are together referred to as ‘AAM UK’ in this Policy.

This Policy will be reviewed and updated at least annually by HR. The Boards of AAM UK are responsible for the implementation of this policy and annual review of the general principles of this policy.

A copy of this Policy is available on AAM UK’s website at: www.aegonam.com/disclosures.aspx.

2. Contact Details

If there are any questions regarding the content of this Policy please contact your local HR Business Partner.

3. Aims and Objectives

The aims and objectives of this Policy may be summarized as follows:

- To enable AAM UK to attract and retain highly qualified employees at all levels within the organisation.
- To enshrine the principle that all employees will be remunerated based on robust local benchmarking.
- To enable AAM UK to provide a well-balanced and performance-related compensation package, taking into consideration the public debate on remuneration.
- To ensure that the interests of all employees are aligned with the AAM UK business strategy, risk tolerance, objectives, values and long-term interests. To this end this Policy is very clearly aligned with our approach to performance management and risk management.
- To ensure compliance with all applicable regulations and, subject to agreed exceptions, with the Aegon Group Remuneration Framework.
- Promote sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or incorporation of our funds.

4. Application of Policy

This Policy applies to all AAM UK employees. Part 2 sets out aspects of this Policy which apply only to certain AAM UK companies (and to certain employees) specifically:

- Employees categorised as ‘Code Staff’ under CRD 4 (see section 19)
• Employees categorised as ‘Identified Staff’ under AIFMD & UCITS (see sections 20 and 21)
• Employees in scope for DNB remuneration rules (WBFO) (see section 22)

It is noted that staff are employed centrally by Aegon UK Corporate Services Limited. However, for the purposes of this Policy and application of the various regulations, staff are deemed to be employees of AAM UK. Employees may be required to apportion their time between the various AAM UK companies and will then be treated as an employee of each AAM UK company in respect of the relevant proportion of their employment and remuneration. HR would administer any such apportionment of employee time.

5. Evaluation of Competitive Level

All roles within AAM UK are individually benchmarked against the appropriate peer group and we participate in appropriate remuneration benchmark surveys to ensure we have robust data on which to base remuneration decisions.

6. Approach to Salary (Fixed Pay)

Our intention is to ensure that salary levels reflect the following:

• The role being carried out
• The individual’s experience / performance / contribution
• The local benchmarking information
• Appropriate balance of fixed and variable remuneration to avoid encouraging excessive risk-taking

7. Approach to Variable Pay

Variable pay takes two forms: (i) the annual bonus plan; (ii) the Long Term Incentive Plan.

7.1 Annual Bonus Plan (Short Term Incentive)

AAM UK operates a discretionary annual bonus plan. Bonus payments will be determined by: (i) company’s global and local performance; and (ii) each individual’s performance against objectives as evidenced by the annual performance appraisal. More detailed information on the annual bonus plan is contained in the AAM UK Discretionary Bonus Scheme Specification, which is maintained by HR and available on AAM Intranet.

The annual bonus plan has the following features:

• All employees are eligible
• Based on a ‘pool’ mechanism where the value of bonus pool is determined by performance of the business against pre-determined performance targets at the Global and local levels.
• Targets are based on Aegon Group measures (weighted at 15%), and Global AAM measures (weighted at 85%). The AAM bonus pool measures are as follows:
  1. Investment Performance
  2. Asset Gathering – Net Sales performance
  3. Profitability
  4. Risk Management
  5. Client Satisfaction

Targets and weightings are reviewed on an annual basis.

Distribution of the pool is discretionary based on individual performance against their individual objectives and evidenced by their annual performance review.

Investment Performance – Bonus contribution for this measure is based on the 1 and 3 year performance of a basket of representative funds. The funds, their weightings and the 1 and 3 year weighting are reviewed on an annual basis.

Sales Performance – Bonus pool contribution for this measure is based on Annualised income from net sales.
**Profitability** – Bonus contribution of this measure is based on actual profitability relative to target profitability.

**Risk** – Bonus pool contribution is based on a basket of risk measures.

**Control Environment** – Bonus pool contribution is based on management’s performance on strengthening the control environment and reducing operational risk exposure.

**Client Satisfaction** – the measure is split 50:50 between internal and external clients with bonus pool contribution based on client satisfaction score.

**Floating Measure** – this is reviewed annually.

Each employee has a target bonus which is based on industry benchmarking.

The AAM UK Discretionary Bonus Scheme Specification contains a ‘Moral Hazard’ clause which allows AAM UK to adjust the investment performance contribution of a fund to the overall bonus pool if it feels that funds have not been managed in a consistent manner. This clause also states

“In addition, it is important to state that these bonus arrangements are intended to promote the behaviours that we believe will improve the services we provide to our clients. AAM UK therefore reserves the right to nullify any positive contribution to the Scheme that, in its sole view, may be linked to circumstances where our clients have been treated unfairly.”

7.2 **AAM UK Long Term Incentive Plan (‘LTIP’)**

The purpose of the LTIP is to align the reward of senior employees with the success of the AAM UK business and the interests of our clients.

The LTIP is reviewed annually by the AAM UK Board who provide recommendations to the AAM remuneration committee (sitting as RemCo).

The LTIP is funded by profits from the business and is structured as a unitised profit share plan with awards being invested in a range of AAM UK funds. If no profits are made, no award is made through the LTIP.

Senior staff (including Code Staff for the purposes of CRD 4 and Identified Staff for the purposes of AIFMD / UCITS, as well as some other senior staff), are eligible to participate in the LTIP. Where there is a requirement under CRD 4, AIFMD or UCITS for specific proportions of variable pay to be deferred or to be invested into funds managed by the recipient, this will be done through the LTIP. Where possible, the recipient will have deferred awards invested into the fund(s) they manage. Where this is not possible, deferred awards will be invested in appropriate AAM UK funds to ensure alignment of interests between the recipient, AAM UK and its clients.

7.3 **Pension**

- Pension arrangements are standard for all employees. AAM UK operates a Group Personal Pension Plan with the following characteristics: A non contributory defined contribution scheme
- Age related contribution structure
- Salary cap applies for employer contributions
- Employee contributions can be made through via salary sacrifice

8. There is no facility within the pension scheme to make additional discretionary payments to an employee’s plan for the purposes of the FCA’s remuneration principles. Other Remuneration Plans N/A

9. **Risk Alignment of Remuneration Practices**

Our remuneration practices have the following characteristics to ensure they do not encourage excessive risk taking and provides a comprehensive adjustment mechanism to integrate relevant types of current and future risks:

1. Reward packages are based on industry benchmarking, overall company performance, individual performance and affordability.
AAM UK Remuneration Policy 2020
August 2020

2. Our annual bonus plan is discretionary with the following features:
   - Separation between bonus pool generation based on business performance measures and distribution of this pool which is discretionary, based on individual performance.
   - Governance checks and balances are in place at all levels. RemCo confirms the annual bonus plan pool to ensure it is in line with business performance. There is a recommendation and approval process for ALL awards at various levels within AAM UK and up to the RemCo, who approve senior employee awards.
   - AAM UK Discretionary Bonus Scheme Specification contains a moral hazard clause to ensure that the performance of funds not considered in the bonus plan are managed in a similar way to those that do contribute to the bonus pool. This clause allows AAM UK to adjust the bonus pool if this is not the case. In addition AAM UK may also use discretion if it feels customers are not being treated fairly.
   - The bonus plan has specific measure related to appropriate risk management.
   - The outcome of the bonus plan i.e. pool calculations, are subject to a risk / internal audit review, the results of which are reported to RemCo.
   - Clawback provisions are included in the plan rules.

3. The LTIP has the following relevant features:
   - Link to profit - if no profit is made, no award is made through LTIP.
   - Malus and clawback provisions are included in the LTIP rules.
   - Governance checks and balances in place. Awards approved through AAM UK Board / RemCo.

Our performance management process (on which the annual bonus plan and the LTIP awards are largely based) ensures that individuals have objectives aligned with company values and risk tolerance. Where anyone is found to be in breach of these, it will affect their performance appraisal and therefore impact on their reward.

10. Alignment of Remuneration Practices with Business Strategy
Remuneration practices are aligned to business strategy in the following ways:

1. Annual Bonus – Business Measures (i.e. Investment Performance, Sales, Risk, Client Satisfaction and Profitability) are used to determine the value of the bonus pool.

2. LTIP – Funded entirely by profits (i.e. no profits – no contribution) and subsequently participants can invest their awards in AAM UK funds thus aligning the interests of recipients to those of AAM UK and its clients.

Our performance management process (on which Bonus Plan and LTIP awards are largely based) ensures that individuals have objectives aligned with business strategy. Where anyone is found to be in breach of these, it will affect their performance appraisal and therefore impact on their reward.

11. Conflicts of Interest
We have a Conflicts of Interest policy requiring all employees to declare any conflicts of interest and setting out how conflicts will be dealt with.

The measures described in this Policy in respect of industry benchmarking, the link between reward and company/individual performance, the separation of bonus pool generation and distribution of that pool, the use of business measures to fund the bonus pool and our LTIP being funded by profits are intended to align individual and company interests will serve to mitigate any conflict of interest concerns.

To mitigate the risk of personal hedging strategies or remuneration and liability related insurance being used to avoid remuneration policies, we operate a Personal Account Dealing Policy which requires all employees to seek advance approval of relevant personal investment activity. In addition all payments to individual employees whether that be salary, bonus or LTIP are made through our payroll system with no exceptions.
Specifically in relation to LTIP, we monitor performance of LTIP-eligible funds against similar funds which are not included in the LTIP. This is intended to detect any instance of fund management or risk taking of LTIP funds deviating from that of non-LTIP funds, which may be indicative of a conflict of interest.

12. Governance

Due to the size, nature and complexity of the firm, AAM UK Plc are not required to appoint an independent remuneration committee.

The activities of the wider AEGON Asset Management group (of which AAM UK is the UK arm) are overseen by the AAM RemCo, which also sit as the AAM RemCo on remuneration issues. The AAM RemCo is established in The Netherlands. Our UK Board also has oversight responsibilities and includes both executive and non-executive (independent) board members. Our UK Board provide recommendations to the AAM RemCo.

The AAM RemCo is responsible for reviewing our variable pay (both annual bonus plan and LTIP) to ensure it is in line with company results and has the authority to change the value of these pools if required. In addition, the AAM RemCo is responsible for authorising the remuneration of our most senior employees, including senior employees in the risk and compliance functions.

Notification of breaches to the FCA

If there are any significant breaches of the FCA’s Remuneration Codes, including any breach of the rules in relation to voiding and recovery, this Policy or any practices which could have an adverse impact on AAM UK’s reputation or our risk profile or resources, affect our ability to provide services resulting in serious detriment to a customer or could result in serious financial consequences to the financial system or other firms will be notified to the FCA in accordance with our [Risk Event Reporting Policy/Breach Reporting Policy]. This includes any fraud, errors or other irregularities which may suggest weakness in AAM UK’s remuneration procedures.

13. Control Functions

The way our control functions operate within the business could be characterised as follows:

**Independence** – All control functions have reporting lines to Board Members who are not aligned to our front office or sales area, thus ensuring independence and an escalation route that does not conflict with the areas they oversee.

**Authority** – We have 3 levels or Grades in AAM UK (Associate / Principal / Senior). The Heads of our control functions are all at the Senior level giving them equal status / authority to the Heads of the areas they oversee. In addition, they report directly to Board Members who are also independent of the front office / sales areas as detailed above.

**Remuneration** – Control function staff are remunerated based on industry benchmarking, company and individual performance. While participating in the same LTIP arrangements the structure of these remains equally valid for control function staff. The separation of bonus pool generation (based on objective business measures) from the distribution of the pool (based on individual performance) allows bonus payments to control function staff to be based on their performance against individual objectives which will clearly be very different to the performance objectives of the areas they oversee.

In addition our risk, compliance and audit functions takes a role in reviewing our reward processes to ensure they are compliant and does not expose the business to inappropriate risk.

14. Remuneration and Capital

A key control measure, before any payments are made, is that our Finance Team certifies that our reward packages remain affordable and do not impact on our ability to ensure our capital base remains strong.

AAM UK companies are not subject to exceptional government intervention.
15. Performance Assessment of Individuals

Individual Performance is measured as follows:

1. Every employee agrees their individual objectives, with their line manager, at the start of the year. These include both financial and non-financial objectives. E.g. people managers need to have at least one measure (weighted at least 10%) based on a people management measure.

2. A Personal Development Plan (PDP) is agreed, if required, to ensure that employees have the required skills / training in order to meet their objectives.

3. A mid year review takes place to check progress against objectives and discuss any issues or review objectives as required.

4. End of year appraisal of performance against objectives takes place where each individual objective and overall performance is scored against a 5 point scale as follows:
   - Outstanding
   - Exceeding
   - Successful
   - Needs Improvement
   - Unsatisfactory

The review process is designed to consider not just WHAT individuals achieve but HOW they achieve it.

Decisions on individual remuneration, especially variable remuneration, are largely evidenced by performance against objectives and overall contribution as detailed in the annual appraisal.
16. Guaranteed Remuneration – Policy

We do not make any guarantees in respect of annual bonus awards. From time to time we may agree sign on and matching of deferred awards to new hires to recompense for the loss of variable payments that would have been paid had they remained with their previous employer. These are made on the following basis:

- A sign on payment (paid with their first salary payment) to recompense for the pro-rated bonus they would have had a reasonable expectation of receiving had they not left their previous employment.
- The balance of the performance year worked with AAM UK will be dealt with under the terms of our bonus plan i.e. based on individual / company performance and pro rated for the part of the year worked.
- When considering deferred remuneration arrangements, we would typically try to make awards of equal value within our own deferred remuneration plans, rather than an upfront cash payment of the value of these awards.
- Only where they can be made without causing a breach of the relevant solvency requirements.

Restrictions on payment of guaranteed remuneration by Aegon Asset Management UK Limited and Aegon Asset Management UK Holdings Limited are contained in Part 2 below.

17. Disclosure

We will disclose annually as part of our Pillar 3 disclosure and AIFMD / UCITS requirements the following information on an aggregated basis:

1. Total salaries paid to code staff
2. Total bonus payment made to code staff
3. Total long term awards (at face value) made to code staff
4. In respect of AIFMD - Total amount of remuneration paid by the AIFM to its staff for the financial year, split into fixed and variable remuneration (including where relevant any carried interest and the number of beneficiaries)
5. In respect of AIFMD – Aggregate amount of remuneration broken down by senior management and staff of the AIF whose actions have a material impact on the risk profile of the AIF.

Further disclosure requirements applying to Aegon Asset Management UK Limited and Aegon Asset Management UK Holdings Limited are contained in Part 2 below.

18. Malus & Clawback

All awards of variable pay will be subject to ex-ante / ex-post risk based assessment, by AAM UK on an annual basis at the time of allocation / vesting.

‘Malus’ (the reduction or cancelation of unvested awards) or ‘Clawback’ (recovery of payments already made) can be implemented in the following circumstances (this is not an exhaustive list):

1. Incorrect data (including non achievement of performance indicators in hindsight)
2. Material financial restatements
3. Evidence of misbehaviour or serious error by the participant
4. On instruction or request by a regulator to AAM UK to apply Malus or Clawback
5. Significant changes in AAM UK’s economic or regulatory capital base
6. Other circumstances as determined in applicable legislation from time to time

Staff are notified of this in letters setting out payments made under the annual bonus scheme and the LTIP rules also contain the necessary provisions.
Part 2 – aspects of this Policy applicable only to certain AAM UK companies

HR implements mechanisms to apportion staff time between the various AAM UK companies (where required) and ensures remuneration relating to each AAM UK company complies with the applicable rules (and this includes comparing proposed payments to checklists detailing each of the full remuneration requirements).

We have summarised the key remuneration provisions for each of the relevant rules below; the full guidelines for CRD4, UCITS and AIFMD are contained in the FCA Handbook and are available on the FCA website. The details in relation to the Dutch Remuneration Rules have not been translated into English, but the AAM UK legal team can provide details of the provisions.

19. Capital Requirements Directive (CRD4)

The FCA has defined a three tier proportionality framework which sets out their expectations on the level of application of the requirements to different types of firm within the scope of the IFPRU Rules. Within these tiers AAM UK plc falls into the definition of proportionality level 3 (the lowest tier).

This Section applies to all employees of AAM UK who are categorised as code staff under this directive. We identify Code Staff using the following criteria:

1. Those carrying out Significant Influence Functions
2. Heads of Control Functions
3. Non Executive Directors
4. Material Risk Takers
5. Those earning in excess of €500,000 / annum

<table>
<thead>
<tr>
<th>The key impacts of CRD4 are summarised as follows: Element of remuneration</th>
<th>Impact of CRD4</th>
<th>AAM UK Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed pay i.e. salary</td>
<td>Unaffected</td>
<td>Applied</td>
</tr>
<tr>
<td>Variable pay i.e. Annual Bonus and LTIP</td>
<td>Capped at 100% of fixed pay or 200% with shareholder approval. 40% to 60% of variable pay must be deferred for minimum of 3 years</td>
<td>AAM UK relies on proportionality to disapply the provisions relating to variable pay (ie the Bonus Cap). Employees categorised as Code Staff have 50% of variable pay deferred for a minimum of 3 years. AAM UK do not apply any discount rates to employees’ variable remuneration.</td>
</tr>
<tr>
<td>Guaranteed variable pay (including e.g. a sign-on bonus)</td>
<td>Prohibited, with limited exceptions e.g. to new starts and limited to one year</td>
<td>Applied</td>
</tr>
<tr>
<td>Malus &amp; Clawback</td>
<td>To be applied to variable pay</td>
<td>Reflected in plan rules with non exhaustive list of examples when malus / clawback would be applied</td>
</tr>
<tr>
<td>Severance Payments to ‘code staff’ (including compromise agreement payments)</td>
<td>Should reflect performance over time and not reward failure</td>
<td>Applied</td>
</tr>
</tbody>
</table>
20. Alternative Investment Fund Manager (AIFM) rules

AAM UK plc acts as AIFM to several AIFs and is therefore in scope for related remuneration and reporting rules. These are summarised below.

The criteria for identified Staff is as follows:

1. Senior Managers
2. Material Risk Takers
3. Heads of Control Functions
4. Employees in the same remuneration bracket of 1 – 3 above. Unless it is demonstrated they have no material impact on the management company’s risk profile or on the AIF’s it manages.

<table>
<thead>
<tr>
<th>Element of remuneration</th>
<th>Impact of AIFMD</th>
<th>AAM UK Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed pay i.e. salary</td>
<td>Unaffected</td>
<td>Applied</td>
</tr>
<tr>
<td>Variable pay i.e. Annual Bonus and LTIP</td>
<td>Uncapped</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40% to 60% of variable pay must be deferred for minimum of 3 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% of variable pay to be in units or shares in the AIF concerned (where possible)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Applied</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employees categorised as Identified Staff have 50% of variable pay deferred for a minimum of 3 years.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deferrals will be invested in a representative sample of AAM UK AIFMD / UCITS Funds as a proportion of total AUM, i.e. if AIFMD / UCITS are 30% of total AUM, then 30% of deferral will be invested in AAM UK AIFMD / UCITS Funds</td>
<td></td>
</tr>
<tr>
<td>Guaranteed variable pay (including e.g. a sign-on bonus)</td>
<td>Prohibited, with limited exceptions e.g. to new starts and limited to one year</td>
<td>Applied</td>
</tr>
<tr>
<td>Malus &amp; Clawback</td>
<td>To be applied to variable pay</td>
<td>Applied</td>
</tr>
<tr>
<td>Severance Payments to Identified Staff (including compromise agreement payments)</td>
<td>Should reflect performance over time and not reward failure</td>
<td>Applied</td>
</tr>
</tbody>
</table>
21. Undertakings for collective investment in transferrable securities (UCITS) rules

AAM UK plc manages several UCITS Funds and is therefore in scope for related remuneration and reporting rules. These are summarised below.

Identified Staff are remunerated using the following criteria:

1. Executives and Non Executive members of the management body.
2. Senior Managers
3. Material Risk Takers
4. Heads of Control Functions
5. Employees in the same remuneration bracket of 1 – 3 above. Unless it is demonstrated they have no material impact on the management company’s risk profile or on the UCITS Funds it manages.

<table>
<thead>
<tr>
<th>Element of remuneration</th>
<th>Impact of UCITS</th>
<th>AAM UK Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed pay i.e. salary</td>
<td>Unaffected</td>
<td>Applied</td>
</tr>
<tr>
<td>Variable pay i.e. Annual Bonus and LTIP</td>
<td>Uncapped</td>
<td>Applied</td>
</tr>
<tr>
<td></td>
<td>40% to 60% of variable pay must be deferred for minimum of 3 years</td>
<td>Employees categorised as Identified Staff have 50% of variable pay deferred for a minimum of 3 years. Deferrals will be invested in a representative sample of AAM UK AIFMD / UCITS Funds as a proportion of total AUM. i.e. if AIFMD / UCITS are 30% of total; AUM, then 30% of deferral will be invested in AAM UK AIFMD / UCITS Funds</td>
</tr>
<tr>
<td></td>
<td>50% of variable pay to be in units or shares in the UCITS concerned (where possible)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 month retention period for deferred awards</td>
<td></td>
</tr>
<tr>
<td>Guaranteed variable pay (including e.g. a sign-on bonus)</td>
<td>Prohibited, with limited exceptions e.g. to new starts and limited to one year</td>
<td>Applied</td>
</tr>
<tr>
<td>Malus &amp; Clawback</td>
<td>To be applied to variable pay</td>
<td>Applied</td>
</tr>
<tr>
<td>Severance Payments to Identified Staff (including compromise agreement payments)</td>
<td>Should reflect performance over time and not reward failure</td>
<td>Applied</td>
</tr>
</tbody>
</table>
22. Dutch Remuneration Rules (‘WBFO’)

Aegon Asset Management UK Holdings Limited and Aegon Asset Management UK Limited are in scope entities for the purposes of WBFO. AAM UK plc, as UCITS manager and AIFM, is exempt.

Aegon Asset Management UK Limited activities relate to distribution and servicing of AUK/Scottish Equitable pooled funds, which includes sales, client servicing/relationship management, marketing, product development, legal, accounting and regulatory activities but no investment management.

In scope employees are those who are carrying out appointed rep activities for Aegon Asset Management UK Limited and/or the activities of AAMUKHL.

WBFO requires us to: (i) identify employees who perform a function directly relating to Aegon Asset Management UK Holdings Limited or Aegon Asset Management UK Limited; (ii) for each such employee, determine the proportion of their time, and therefore also of their remuneration, which relates to in scope functions; and (iii) ensure remuneration relating to in scope functions complies with WBFO.

HR will liaise with staff performing in scope functions to agree the proportion of their remuneration which is subject to WBFO based on sample time recording and will ensure that the relevant proportion of the remuneration of those staff complies with WBFO.

Remuneration relating to AAM UK plc functions (which for the majority of our staff comprises most or all of their time) is unaffected by WBFO. For in scope staff, it is only the relevant proportion of their remuneration which must comply with WBFO.

Remuneration requirements for in-scope employees can be summarised as follows:

<table>
<thead>
<tr>
<th>Element of remuneration</th>
<th>Impact of WBFO</th>
<th>AAM UK Approach in relation to AAMUKH and AAMUKML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed pay i.e. salary</td>
<td>Unaffected</td>
<td>Applied</td>
</tr>
<tr>
<td>Variable pay i.e. Annual Bonus and LTIP</td>
<td>Capped at 100% of fixed pay</td>
<td>Applied on time allocation basis</td>
</tr>
<tr>
<td>Guaranteed variable pay (including e.g. a sign-on bonus)</td>
<td>Prohibited, with limited exceptions</td>
<td>Applied</td>
</tr>
<tr>
<td>Malus and Clawback</td>
<td>To be applied to variable pay</td>
<td>Applied</td>
</tr>
<tr>
<td>Severance Payments to ‘daily policy makers’ (including compromise agreement payments)</td>
<td>Capped at 100% of fixed pay</td>
<td>Applied</td>
</tr>
</tbody>
</table>
| Severance Payments where employee leaves:  
  • voluntarily;  
  • due to serious wrongdoing/negligence); or  
  • where company ‘fails’ and employee was a ‘daily policy maker’ | Prohibited | Applied |
'Variable pay' includes both payments under the Annual Discretionary Bonus Scheme and the granting of options under the LTIP (and for the purposes of calculating variable pay for a given year, the LTIP options granted in that year shall be taken into account rather than the vesting or exercise of options granted in previous years).

Other headline WBFO requirements include: (i) publication of remuneration policy in annual report and on website; (ii) Aegon NV to report to their regulator on how their subsidiaries (including AAM UK) comply with WBFO.
Remuneration Policy

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>HR and Regulatory Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Name</td>
<td>AAM UK Remuneration Policy</td>
</tr>
<tr>
<td>Application</td>
<td>Aegon Asset Management UK Holdings Limited, Aegon Asset Management UK plc, Aegon Asset Management Limited (together ‘AAM UK’)</td>
</tr>
<tr>
<td>(to be) Approved by</td>
<td>AAM UK Board</td>
</tr>
<tr>
<td>Effective Date</td>
<td>1st January 2019 (applies to 2019 performance year)</td>
</tr>
<tr>
<td>Last Reviewed</td>
<td>July 2019</td>
</tr>
<tr>
<td>Next Review</td>
<td>July 2020</td>
</tr>
<tr>
<td>Version</td>
<td>5</td>
</tr>
</tbody>
</table>