Manulife Investment Management (Ireland) Limited

Remuneration Policy

February 2020

The Manager adopts the following remuneration policy ("Remuneration Policy") for persons determined under clause 1 below ("Identified Staff").

The Board are directly responsible for the operating and organisational requirements of the UCITS Regulations, as well as ensuring that the Manager meets the requirements of the Central Bank UCITS Regulations.

In addition to the requirements of the UCITS Regulations, this Remuneration Policy also takes into consideration ESMA's Guidelines on Sound Remuneration Policies under the UCITS Directive issued on 14 October 2016 (the "**ESMA Guidelines**") and together with the UCITS Regulations the "**Remuneration Requirements**").

The Manager has made an assessment of the nature, scale and complexity of its business in line with the UCITS Regulations, and has determined that overall, its business activity is relatively low risk when compared to other fund management company structures.

1. Principles of the Remuneration Policy

a) The Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Funds;

b) The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Manager and the Funds and includes measures to avoid conflicts of interest;

c) The Board is responsible for the implementation of the Remuneration Policy and will review it at least once per year;

d) Staff engaged in control functions are compensated in accordance with the achievement of the objective linked to their functions, independent of the performance of the business areas they control;

e) The Remuneration Policy assesses the performance in a multi-year framework appropriate to the life-cycle of the Funds; and

f) The Remuneration Policy excludes guaranteed variable remuneration except for the first year of appointment.

2. Determination of Identified Staff

This Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration who fall within the remuneration bracket of senior management in addition to risk takers whose professional activities have a material impact on the risk profile of the Manager.

The Manager's personnel are the board of directors and its employees. In accordance with the requirements of the Remuneration Requirements, the following persons are considered to be the "Identified Staff" of the Manager, for the purposes of this Remuneration Policy:

a) any member of the Board;

b) the Money Laundering Reporting Officer;

c) the Company Secretary;

d) any FTE and/or Seconded Sales Staff whose professional activities have a material impact on the risk profile of the Manager and/or the Funds;

e) any FTE and/or Seconded Sales Staff who is receiving total remuneration that that falls within the remuneration bracket of senior management; and

f) the Designated Persons (PCF 39).

3. Principles of Remuneration of the Board and Control Functions

In preparing this Remuneration Policy, the Manager has made an assessment of the nature, scale and complexity of its business in line with the Remuneration Requirements and has determined that overall, its business activity is relatively low risk when compared against other entities with similar fund structures under management. The Remuneration Policy complies with the principles set out in clause 1 above in a manner which is proportionate to the size of the Manager, its internal organisation and the nature, scope, complexity of its activities.

The Board will not receive any variable remuneration in connection with their work as Board members, from the Manager. The remuneration of the members of the Board that receive a fee for their services is set at a fixed amount. Such amount is set at a level that is on par relative to the funds industry market and reflects the qualifications and contributions required of the Board, in view of the Manager's overall nature, scale and complexity. In addition, The Money Laundering Reporting Officer and Company Secretary of the Manager (and the Designated Persons which are Secondees) are individuals provided for such services through companies which have contracted with the Manager for such services and will not receive any additional fixed or performance-related remuneration from the Manager in connection with the carrying out of their control functions. The individuals are paid directly by such separate entity and do not receive a fee directly from the Manager, however the entities themselves are paid fixed fees or are paid on a time-spent basis by the Manager for such services.

The Manager has implemented a remuneration structure whereby the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration. The payment of any variable remuneration is fully discretionary, and follows processes established by the Manulife Financial Group. The Manager retains the option to award no variable pay.

The Manager does not offer guaranteed variable remuneration to any employees, including any member of the Board. The Directors are aware that the Manager must not award, pay or provide any guaranteed variable remuneration unless the award is exceptional, occurs in the context of hiring new staff and is limited to the first year of service.

Where Identified Staff also receive pension benefit arrangements, these arrangements will be in line with the Manager's risk appetite, business strategy, objectives, values and long-term interests including those of any client, the Funds or the investors in such Funds.

The Manager's remuneration framework does not currently provide for payments related to the early termination of a contract. In the event that such payments may be provided in future, the Manager is aware that such arrangements must be designed to reflect

performance achieved over time and not in a way that rewards failure. This Remuneration Policy reflects the Remuneration Requirements in a way and to an extent which the Board deems appropriate to the size and internal organisation of the Manager and the nature, scope and complexity of its activities. Taking into consideration the risk profile, appetite and risk strategy of the Manager and each of the Funds, the Board has disapplied the requirements of the ESMA Guidelines in relation to certain matters, together defined as the "**Pay-out Process Rules"**, covering variable remuneration in instruments, retention, deferral and ex post incorporation of risk for variable remuneration.
The Board has noted that the ESMA Guidelines do not offer any guidance as to whether the application of the proportionality principle enables companies such as the Manager to disapply these requirements. However, in a letter to the European Union law-making institutions published alongside the ESMA Guidelines (the "**ESMA Letter**"), ESMA set out its view that it should be possible to disapply the Pay-out Process Rules or to apply lower thresholds under specific circumstances. In the absence of legislative amendment at European level, or clarification at member state level, the Manager has made its own assessment as to the application of the proportionality principle and in doing so has deemed it appropriate to consider ESMA's views in the ESMA Letter regarding the circumstances in which the principle of proportionality may be relied upon.

This decision to disapply the Pay-out Process Rules will be reviewed regularly as part of the overall Remuneration Policy review.

Pensions policy

The Manager does not make contributions towards the pensions of Identified Staff.

Personal hedging

Identified Staff will be prohibited from employing personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements. This prohibition will apply to deferred and retained performance-related remuneration.

Similarly, the Manager will ensure that performance-related remuneration is not paid through vehicles or methods are employed which aim at artificially evading the provisions of Directive 2014/91/EU.

Payments related to the early termination of a contract

There is no provision currently in effect relating to remuneration in the event of the early termination of a contract. It is not the policy of the Manager to reward failure.

4. Remuneration Committee

The Manager has made an assessment of the nature, scale and complexity of its business in line with the UCITS Regulations and ESMA Remuneration Guidance and has determined that overall, a remuneration committee is not required.

5. Application of the requirements of the Remuneration Requirements to Delegates

The ESMA Guidelines provide for a look-through of the remuneration principles of the Remuneration Requirements to delegates where the rules would otherwise be circumvented.

When delegating investment management functions (including risk management) according to Regulation 23 of the UCITS Regulations, where the remuneration rules contained in the UCITS Regulations would otherwise be circumvented, the Manager has an obligation to ensure that the delegates are either (i) subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the ESMA Guidelines or (ii) that appropriate contractual arrangements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements contained in the UCITS Regulations. In addition, the ESMA Guidelines address the principle of proportional application based on the nature, scope and complexity of the operations of a UCITS.

The Manager delegates investment management functions to the Sub-Investment Managers, and the Sub-Investment Managers may further sub-delegate investment management of all or a portion of each sub-fund to different sub-investment managers, the names of which are available in the accounts of the Funds in each financial reporting period.

Contractual arrangements

The Manager has in place appropriate contractual arrangements with the Sub-Investment Manager to ensure the Sub-Investment Manager's remuneration arrangements with regard to any Identified Staff do not circumvent the remuneration requirements contained in the Remuneration Requirements. Further the Sub-Investment Manager undertakes to ensure that its delegates ensure that their remuneration arrangements with respect to such staff also do not circumvent the Remuneration Requirements. Specific written confirmations from the Sub-Investment Manager in this regard have also been received in the form of an acknowledgement letter to the Manager, for the avoidance of doubt.

Equally as Effective

The Manager, in line with the ESMA Guidelines, considers that entities subject to the remuneration requirements of the Alternative Investment Fund Managers Directive (2011/61/EU) or the Capital Requirements Directive ("CRD IV") (Directive 2013/36/EU) are considered equally as effective as the UCITS remuneration requirements. In addition, the Manager considers CRD/MiFID firms (including firms still subject to CRD III and which have availed of exemptions available under CRD IV) to be equally as effective pursuant to prior guidance issued by the Central Bank on the same requirement under AIFMD.

Proportionality

The Manager acknowledges that the Manager's delegates and sub-delegates may apply the ESMA Guidelines based upon the principle of proportionality and that accordingly certain or all of the requirements of the UCITS Regulations relating to remuneration may be disapplied by them.

This approach in relation to Equally as Effective and Proportionality will be reviewed as necessary for any conflict with this position.

6. Review and amendments of the Remuneration Policy

The Remuneration Policy will be reviewed by the Board at least once per year or as otherwise necessary following the issuance of any further regulatory or industry guidance or legal clarifications that warrant such review and any necessary amendments to the then current policy will be made.

Any proposed amendment to the Remuneration Policy requires:

a) firstly, an assessment of the proposed amendment by the Designated Person responsible for Risk Management in accordance with the principles set out under clause 2 above (or, where the changes proposed related directly to the Designated Persons as Identified Staff, a Director); and

b) secondly, approval by the Board, taken by a simple majority of those directors present or represented at the relevant meeting.

7. Disclosure

The Manager discloses, without prejudice to confidentiality and data protection provisions, relevant information on the Remuneration Policy in its Annual Report, the Funds' Prospectus and Key Investor Information Documentation.

At all times, this Remuneration Policy will be made available to Identified Staff and the information disclosed to the Identified Staff should be at least that which is disclosed externally as part of the Annual Report.

IMPORTANT INFORMATION

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