Sustainable Finance Disclosures Regulation ("SFDR")
Article 5 - Transparency of remuneration policies in relation to the integration of sustainability risks
(Regulation (EU) 2019/2088)

Introduction

This document sets-out the firm-level disclosures required to be made under Article 5 of SFDR by the First Sentier Investors group[1]. The group includes investment teams trading as:

- FSSA Investment Managers (www.fssaim.com);
- The Sustainable Funds Group, a part of Stewart Investors (www.stewartinvestors.com/all/sustainable-funds-group.html and sfg.stewartinvestors.com); and
- St Andrews Partners, a part of Stewart Investors (www.stewartinvestors.com/all/st-andrews-partners.html).

The required disclosures will be subject to regulatory technical standards which are not yet adopted at the date of this document. The disclosures will be updated as required.

Disclosure

Remuneration policy

First Sentier Investors has a Remuneration Policy to ensure that an appropriate remuneration framework exists to support our strategic priorities.

The Remuneration Policy is designed to ensure employees are rewarded for behaviour that upholds a culture that aligns with the interests of our clients and shareholders. The Remuneration Policy motivates employees to achieve individual and corporate performance outcomes that deliver long-term sustainable results, enhance the client experience, adhere to legal and regulatory requirements, promote sound and effective risk management (including sustainability risks[2] for investment professionals through the Performance Framework) and avoid conflicts of interest.

Specifically, the Remuneration Policy outlines a remuneration framework that:

- meets all applicable regulatory and legal requirements;
- aligns with our vision, values and strategy;
- aligns with the interests of our clients, employees, and the community;
- encourages responsible behaviour that supports long-term sustainability;

[1] In particular, this document includes disclosures made by First Sentier Investors (Ireland) Limited and First Sentier Investors Global Umbrella Fund plc
[2] "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause and actual or potential material negative impact on the value of the investment. As per EU Regulation 2019/2088.

- avoids conflicts of interest; and
- supports a diverse and inclusive workforce.

We actively manage risks associated with measuring and delivering short-term and long-term performance, with a bias towards the longer-term. All activities are carefully managed within our risk framework, and individual Variable Remuneration outcomes are reviewed and may be reduced in the light of any associated risk outcomes. For investment professionals, the risk framework includes an assessment of sustainability risks.

Performance and risk management is built into our remuneration framework by ensuring that employees are assessed against risk and behavioural standards, which are considered upon allocation of short-term and long-term incentives. Upon payment or vesting of deferred incentives, a further assessment is conducted to confirm they have adhered to our risk framework. Our philosophy ensures that Variable Remuneration outcomes are based on both what was achieved (goals) and how it was achieved (values), with adjustments for risk outcomes applied where required. Our values incorporate adherence to the firm's RI and Stewardship Principles.

An integral part of our annual remuneration governance process also includes reviewing remuneration decisions through the lens of gender equity, with approvals dependent on demonstrated equitable outcomes.

Remuneration practices

Employees are remunerated through the payment of an annual salary and through various bonus schemes. Salaries are benchmarked on an annual basis to ensure that remuneration packages are competitive. Through the short-term bonus system, employees are rewarded for exceeding their objectives up to a percentage multiple of their base salary.

With respect to most investment professionals, the firm rewards outcomes on investment performance and behaviours. The general criteria used to assess the calculation of overall bonus payments for investment professionals is performance versus benchmark and competitor outcomes. Additionally, other factors such as achievement of broader corporate objectives and achievement of individual objectives including demonstration of our values may be a consideration.

Long-term incentives are structured through co-investment instruments aligned to the underlying team funds or structured as performance fee sharing arrangements. Both arrangements facilitatelong-term alignment with clients' interests and incentivise investment professionals to the team's investment philosophies and processes, which include sustainability risks which may impact investment.

All long-term incentive plans contain malus provisions to allow awards to be reduced, including to zero, for unsatisfactory levels of risk management or compliance relevant to their role.

10 March 2021