

ZISUK Remuneration Policy Summary

1.0 Introduction

The Management Company responsible for your investments is subsidiary of Zurich Insurance Group Ltd (ZIG) and applies ZIG's remuneration philosophy and agreed Remuneration Rules. The Remuneration Rules serve as a framework for the governance, design, implementation and monitoring of ZIG's remuneration architecture globally and are designed to support the business strategy, risk management framework and operational and financial plans for ZIG and its subsidiaries.

The ZIG Board of Directors is responsible for the design, implementation and monitoring of the Group's overall remuneration architecture. The ZIG Board of Directors has established a Remuneration Committee to oversee the design of the Group's remuneration architecture, the implementation of the Remuneration Rules and the respective monitoring process on behalf of the ZIG Board. The ZIG Board of Directors reviews the Remuneration Rules regularly, at least once a year, and amends them, as necessary.

The Company's Board is responsible for its own remuneration arrangements and has developed its own Remuneration Policy Statement in the context of the ZIG Remuneration Rules. The Company's Board has responsibility for reviewing and monitoring implementation of this policy. The Board including the Non-Executive Director meet on at least an annual basis to review the Remuneration Policy Statement and its implementation..

2.0 Link Between Pay and Performance

The Company operates a balanced and effectively managed remuneration system that provides for competitive total remuneration opportunities that are designed to attract, retain, motivate and reward the employees to deliver high performance, with a view to ensure our client's investments are managed in the best possible way. The link between pay and performance is supported by fixed pay (i.e. base salary and benefits) and performance related pay (short and long term bonus schemes as applicable).

The remuneration system is an important element of the broader Group's risk management framework and is designed to discourage inappropriate risk taking through effective governance and a clearly defined performance management process which supports the Group's overall strategy, values and long-term interests. Performance related pay is designed to promote sound risk management and does so by ensuring an appropriate balance between fixed and performance based elements and ensuring sufficiently competitive fixed pay to allow non-payment of the performance based component.

For the avoidance of doubt any instance of failure to comply with relevant legislation, regulations or internal policy will impact upon the level of any element of variable remuneration which might otherwise have been awarded. Equally consideration of adherence to corporate values and delivery of good customer outcomes are directly linked to an individual's remuneration.

3.0 Design Characteristics

Total remuneration and its composition may be influenced by factors such as scope and complexity of the role, level of responsibility, risk exposure, business performance and affordability, individual performance, internal equity, and legal requirements. The key design characteristics of the Company's remuneration arrangements include:

- Aligning remuneration structures to the delivery of good customer outcomes and adherence to corporate values;
- Being simple, transparent and implementable. For those individuals having a material impact on the Company's risk profile, it is oriented towards the long term, in line with the objective for long term returns to our investors;
- Ensuring the structure and level of total remuneration are aligned with risk policies and risk-taking capacity;

- Promoting a high performance culture by differentiating total remuneration based on the relative performance of businesses and individuals;
- Defining the expected performance through a structured system of performance management and using this as the basis for remuneration decisions.
- Linking variable remuneration awards to key performance factors which include the performance aspects of the wider ZIG business, the Company as well as individual achievements.

4.0 Remuneration Framework Structure

Total remuneration for employees of the Company can include the following elements:

4.1 Base Salary

Base salary is the fixed pay for the role performed determined by the scope and complexity of the role and is reviewed regularly. It is the firm's policy to pay base salaries at a level which is sufficient to attract and retain suitably qualified and experienced staff. There must be no discrimination on grounds of age, sex, race or any other irrelevant factor. Basic salary for employees within the firm's control functions is ultimately determined independently of the business units they oversee.

4.2 Variable Remuneration

To align the remuneration architecture with the achievement of the Company and key financial objectives and the execution of the business strategy, risk management framework and operational plans, the Company operates variable short-term and long-term incentive plans.

Variable remuneration is structured such that typically there is a higher weighting towards the longer term sustainable performance for the most senior employees of the Group, including the individuals with the most impact on the Group's risk profile. This ensures that a significant portion of the variable pay for the senior group is deferred. Variable remuneration includes both short-term incentive plans (Group STIP) for which all employees are eligible to join and long-term incentives (Group LTIP) for selected employees:

4.2.1 Group STIP (Short Term Incentive Plan) and Sales Bonus. Payment of STIP is dependent upon the financial performance of ZIG and the contribution made by the underlying business units (including the Company). The bonus amount subsequently awarded to individuals is then determined by their contribution to the overall performance of the business and evidence of those behaviours associated with corporate values; such as integrity, teamwork and customer centricity.

In addition our sales teams' remuneration schemes are designed to ensure positive outcomes for customers; with an appropriate ratio of bonus to basic salary and customer focussed and conduct behaviour led requirements which need to be met to qualify for the personal objectives element of the variable bonus.

4.2.2 Group LTIP (Long Term Incentive Plan). To support the achievement of ZIG and the Company's longer term financial goals, long-term incentives are utilised for a defined group of executives and senior managers, whose specific roles focus on the performance drivers of long-term shareholder value. This group contains the individuals with the highest levels of total remuneration, as well as those individuals whose activities have a significant influence on the risk profile of the Group.

In alignment with ZIG's risk profile and business strategy, long-term incentives are provided with deferred effect taking into account material risks and the time horizon thereof. Deferred bonuses vest after 3-5 years and the amount due will be dependent on ZIG share price at the date of vesting. In addition there are restrictions in place preventing the sales of half of the vested shares for a further 3 years.