

Pillar 3 Remuneration Disclosures (BIPRU 11)

BNP PARIBAS ASSET MANAGEMENT UK LIMITED – December 2020

BIPRU 11.5.18R (1)

The annual decision-making process for determining remuneration is a BNP Paribas Group, enterprise-wide, centrally managed process, called "Compensation & Review Process ("CRP"). It involves several relevant parties, along the following three key principles:

a. **Top-down determination of high-level funding** envelopes, which allows BNP Paribas Asset Management (BNPP AM) to take into account the global financial results of the BNPP AM, and its business lines, and the respective overall risks;
b. **Bottom-up individual allocation recommendations**, which allows BNPP AM to take into account the market comparable pay practice, performance and the risks at team and individual levels;
c. The **final proposals for compensation awards are achieved within a strict timeline, via an iterative process** concerning key individuals, it follows a risk-based approach, taking account of key variations year-on-year and ensuring fairness of application.

In this decision-making process, key overseers and decision takers are the following (BIPRU Remuneration Code Staff):

- BNP Paribas SA Holdings: Board of Directors and its Remuneration Committee[1], Group CRIF (Compliance, Risk, Finance) Committee and Compensation & Benefits department.
- International Financial Services (the division of BNP Paribas Group which includes Asset Management): CEO and Head of HR, supported by its Chief Compensation and Benefit Officer.
- BNP Paribas Asset Management: Board of Directors and its Remuneration Committee ("Remco")[2], Global CEO, Global Head of HR, Global Head of Reward, Global Head of Finance, business line and function heads (including the Head of Risk, Compliance and Permanent Control), HR teams (country and business line).
- In addition, for investment management and sales activities, Risk, Compliance and Permanent Control are involved in the monitoring and measurement frameworks of these officers/managers' performance and reward.
- BNP Paribas Asset Management UK and FundQuest Advisor London Branch: Relevant business heads propose remuneration levels, taking into account the available funding. HR co-ordinates the outcomes to ensure fairness and consistency across the businesses. To assist, external input is taken from external market remuneration surveys (e.g., McLagan, Towers Watson, etc).

[1] for Material Risk Takers (MRT) under Capital Requirements Directive 4, and in compliance with the transposition of this regulation in France, where the parent bank entity of BNPP Group resides and as a result, where the national competent authority and legislation for the home regulator system are to be found

[2] composed of 1 non-executive director and 2 independent directors, with one of these latter two appointed as chairman of such Remco – the mandate of this Remco covers all the applicable requirements under both the AIFMD/UCITS remuneration guidelines and the UK BIPRU Remuneration Code

Approval for the overall compensation pool is also sought from each higher level. All individuals are reviewed by the relevant HR teams (country and business line) and by the business line heads. Depending on the size of certain awards for individuals, these would also be reported for oversight at International Financial Services and/or Group levels.

BIPRU 11.5.18R (2)

A key element influencing individual compensation is the employee's annual objectives, and performance is measured against those objectives. Objectives are specific, have a quantitative component and must be measurable. In addition, at least one qualitative objective is set annually for each BNPP AM employee. When the individual has team responsibilities, at least one managerial (qualitative) objective is included as well. Where relevant, risk management and compliance requirements are also further elaborated as key components of annual objectives. As a rule, an assessment of the employee's performance includes compliance with the company's risk management obligations as well as applicable laws, rules and regulations.

Our performance management and remuneration approaches are duly linked to ensure that compensation is based on achievement of stated business objectives (both financial and non-financial). Compensation is awarded in a mix of short-term and long-term arrangements, as appropriate, to ensure that employees are rewarded for achieving the company's short-term and long-term goals.

Compensation for control functions, including Compliance and Risk, is set independently from the performance or compensation of the business areas that they oversee or monitor.

BIPRU 11.5.18R 6&7

Aggregate quantitative information for members of staff whose actions have a material impact on the risk profile of the firm:

Business Area* **	**Number of Staff**	**Total Remuneration**	**Total Variable Remuneration**
BNP Paribas Asset Management UK and FundQuest Advisor (London Branch)	20*	£9,730,536**	£5,062,173****

* please note that the number of staff includes employees who were identified staff for over 3 months during the 2020 year, including those who joined and left the company during the year.

** base salary information is included on an annualised basis as at 31 December 2020.

*** BNPP AM only has one "business area", namely its asset management business.

**** Total variable remuneration is based on 2019 performance year and therefore is not necessarily earned in their identified staff capacity.