



Fullerton Fund Management Company Ltd. ('Fullerton')

- Remuneration Policy

7 August 2023



Fullerton's Remuneration Policy

A. Overview

Fullerton Fund Management Company Ltd. ("Fullerton" or the "Company") and the Fullerton Fund Management Group (the "Group") have established and adopted a remuneration policy and framework that are intended to promote sound and effective risk management and does not encourage risk-taking that exceeds the level of risk tolerance of Fullerton Group. (the "Remuneration Policy")

The Remuneration Policy includes fixed and variable components of compensation and applies to all eligible staff, including senior management, material risk personnel and control functions.

The Executive Resource & Compensation Committee (ERCC) is the Board-appointed approving authority governing the overall framework and is made up of independent non-executive directors. Any variable remuneration is granted based on two main criteria: the overall financial results of the Group and the individual's performance.

The Remuneration Policy is in line with the business strategy, risk appetite, culture and values of the Group. The Policy is reviewed on a need-be basis.

The Remuneration Policy is in line with Monetary Authority of Singapore's Guidelines on Individual Accountability and Conduct which sets out measures to promote the individual accountability of senior managers, strengthen oversight over material risk personnel and reinforce standards of proper conduct among all employees.

In particular, the Remuneration Policy seeks to ensure that:

- a) When assessing individual performance and awarding compensation, both quantitative (financial) criteria and qualitative (non-financial) criteria are taken into account. Consideration will also be given to other relevant qualitative factors, such as: i) compliance with Company's policies and ii) active advocate of positive behaviour. This is to ensure good values, conduct and behaviours from the Group's employees in delivering and achieving their objectives.
- b) Staff engaged in control functions are evaluated and compensated based on the independence of their functional lines and are remunerated in accordance with the achievement of the objectives linked to their functions.
- c) The payment of variable remuneration (including deferred bonuses) should not adversely affect the financial situation of the Group (in terms of solvency, liquidity, profitability etc) in a significant manner, as determined by the ERCC.

B. Remuneration Policy considerations in relation to the integration of sustainability risks

Fullerton's Remuneration Policy ensures the integration of sustainability risks into the investment processes.

As described in Fullerton's Sustainability Policy, the integration of sustainability risk factors is led by the Sustainability team and Investment team and is supported by the Risk team and the Legal and Compliance team.

The assessment of the individual performance of the employees in these teams include the completion of the following objectives which ensure the integration of sustainability risks:

- Performing ESG analysis and ratings of all securities in our portfolios and investment universe.
- Conducting engagements with portfolio companies on material ESG issues, including but not limited to, climate risks and corporate governance.
- Monitoring the compliance of our portfolio with our ESG based portfolio construction rules.

- Monitoring the compliance of our portfolios with ESG related regulations and standards.