

The abrdn Republic of Ireland Staff Pension Scheme (the "Scheme")

Remuneration & Expenses Policy

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<i>Responsibility</i>	<i>Scheme Secretary</i>
<i>Status</i>	<i>Required under legislation</i>

1 *Purpose of Policy*

1.1 The purpose of this policy statement (the "Policy") is to

1.1.1 set out the general guidance that will apply to; and

1.1.2 provide due transparency for members and beneficiaries in relation to

the basis on which certain persons providing services to the Scheme in an official capacity or other personnel employed by the Trustees to carry out professional activities are or may be remunerated and/or entitled to claim expenses.

1.2 This Policy shall apply to:

i) The Trustees;

ii) Key Function Holders;

iii) Providers to whom a Key Function or other activity has been outsourced (in accordance with the Scheme's Outsourcing Policy); or

iv) any person employed by the Trustees to carry out professional activities.

1.3 The objective of the Policy is to ensure that the Scheme's current practices in relation to the payment of remuneration and expenses out of the assets of the Scheme do not create conflicts of interest, and in particular do not encourage or promote excessive risk-taking by any persons responsible for the management of the Scheme or who provide outsourced services to the Scheme.

This Policy is not, nor is it intended to be, a legal document with legally binding terms and conditions. While the Trustees' objective is to adhere to its principles, they recognise that circumstances may arise that may require them to apply some or all of its terms in such other manner as they see fit. Therefore, the Trustees may at any time, and subject to due regard to any legal, regulatory or other requirements or guidance that may arise from time to time, amend the Policy as they see fit or deviate from the Policy.

- 1.4 In agreeing this Policy the Trustees have taken account of the activities, risk profile, objectives, and the long-term interest, financial stability and performance of the Scheme as a whole, and have drafted the Policy to support the sound, prudent and effective management of the Scheme.

2 *Exclusions*

The Policy does not cover any remuneration paid to Providers over whom the Trustees do not have any control (for example, any persons or firms to whom certain services may be sub-contracted in accordance with the terms of relevant outsourcing agreements with primary Providers).

3 *Legal context*

- 3.1 The Trustees' policies and practices on remuneration and expenses are framed within the context of what is prescribed and permitted under the Scheme's Trust Deed and Rules. These provisions are summarised in the Appendix.
- 3.2 The Trustees agree that the general basis on which they will manage remuneration and expense arrangements in relation to the Scheme will be in accordance with the terms set out in the Trust Deed and Rules. If, in future, any change to this basis is required, the Trustees acknowledge that an amendment to the Trust Deed and Rules may be necessary and in that event, the agreement of the Company will be needed for that amendment.

4 *Determination of remuneration arrangements*

- 4.1 All decisions relating to the remuneration of any person covered by this Policy from the assets of the fund will be made collectively by the Trustees and determined in accordance with the Trustees' existing agreed decision-making processes.
- 4.2 For the avoidance of doubt, all other decisions relating to the remuneration of any persons providing either outsourced services to the Scheme or otherwise engaged to carry out professional activities for and on behalf of the Scheme which is not from the assets of the fund but funded by the Company will be taken by the Company.

5 *Remuneration of Trustees*

Remuneration of Professional Trustees

- 5.1 It is not the current policy of the Trustees for remuneration of Professional Trustees to be paid from the assets of the fund. Remuneration of Professional Trustees is provided by the Company.
- 5.2 Oversight of engagement contracts applicable to Professional Trustees will be a matter solely for the Company.

Remuneration of Employed Trustees

- 5.3 A Trustee who is a current salaried employee, office or director of a participating Employer (referred to in this Policy as an "Employed Trustee") is not entitled to any remuneration of any nature (whether from the fund or otherwise) in connection with the provision of trustee services to the Scheme.

- 5.4 Any remuneration of an Employed Trustee (in relation to their role as Trustee) will be a matter for the Company to decide by way of arrangements discussed and agreed between the person concerned and the Company.

Remuneration of Lay Trustees

- 5.5 It is not the current policy of the Trustees to provide remuneration to any Trustee who is not an Employed Trustee or a Professional Trustee (referred to in this Policy as a "Lay Trustee").
- 5.6 Notwithstanding paragraph 5.1, any remuneration of a Lay Trustee will be a matter for the Company to decide by way of arrangements discussed and agreed between the person concerned and the Company.

Remuneration of Outsourced Providers

- 5.7 For the purposes of this section an "Outsourced Provider" is defined as any third party person or firm that provides a professional service to the Scheme (including the Company where the Company carries out a specific activity on behalf of the Trustees) and to whom a key function or other specific activity has been outsourced by the Trustees pursuant to a written agreement (in accordance with the Scheme's Outsourcing Policy) and where a fee is charged for that service.
- 5.8 It is the current policy of the Trustees that service fees and other expenses charged by a service provider will be met directly by the Company and not from the assets of the Scheme.
- 5.9 Asset Managers will be remunerated in accordance with the terms of the Statement of Investment Policy and Objectives, which in general provides that manager's fees are expressed at specific asset class or fund level and calculated as a specified proportion of assets under management in each asset class or fund.

6 Expenses

Trustee Expenses

- 6.1 The following section relates to the basis on which the Trustees may claim out-of-pocket expenses from the assets of the Scheme that they may incur in their role as Trustees, which may include (but are not limited to) travel, refreshment, lodging, or other disbursements relating to Scheme activities made by that person on behalf of the Scheme.
- 6.2 It is the current policy of the Trustees that no Trustee may claim any expenses directly from the fund. Trustees may claim any reasonable out-of-pocket expenses by application in accordance with the Company's own policies on the claiming of expenses.
- 6.3 In the event that the Company does not, or cannot, pay expenses in line with the above policy, the Trustees may exercise their discretion to deduct those expenses from the fund subject to the agreement of the other Trustees.

Provider expenses

- 6.4 It is the current policy of the Trustees that a Provider can only claim expenses where additional services have been provided to the Scheme outside of the agreed scope of services. These expenses are subject to prior approval by the Company.
- 6.5 Where any Provider expenses are approved, the Scheme Secretary may arrange reimbursement by the Company or the Scheme (where appropriate).

7 Sustainable Finance Disclosure Regulation matters

- 7.1 Under Article 5 of the Sustainable Finance Disclosure Regulation (EU 2019/2088) ("SFDR"), the Trustees (as a financial market participant) are required to include in this Policy information on how this Policy is consistent with the integration of sustainability risks.
- 7.2 To the extent that they are subject to the SFDR, the Scheme's investment managers are subject to their own remuneration policies and procedures which are consistent with the integration of sustainability risks into their investment decision-making processes. As no other person involved in the management of the Scheme, including the Trustees or any Key Function Holder, is remunerated from the assets of the Scheme, the manner in which sustainability risks are integrated into the investment decision-making process has no bearing on the remuneration of those persons. All persons involved in the management of the Scheme are encouraged to take sustainability considerations into account as part of their roles and decision-making in line with the Trustees' Sustainability Policy as set out in the Statement of Investment Policy Principles.

8 Disclosure of Remuneration Policy

The Trustees shall take such actions as may be required by legislation, regulation or guidance from time to time to make certain aspects of the Scheme's Remuneration Policy publicly available, subject to the Scheme's Confidentiality Policy and data protection obligations and procedures.

9 Policy Review

- 9.1 This Policy will be reviewed every three years by the Trustees.
- 9.2 The Policy review will be coordinated by the Scheme Secretary.
- 9.3 Any changes which are recommended to the Policy by the Scheme Secretary must be approved by the Trustees before they become effective.

*APPENDIX – Legal provisions relating to Remuneration and Expenses**Remuneration*

- Clause 12(d): “Any and every Trustee not being one of the Employers or an Employee of the Employers shall be entitled to charge and be paid such remuneration... for services hereunder as may be agreed upon between such Trustee and the Principal Employer.”
- Clause 8(b): “In addition to all other powers vested in them by this Trust Deed or by statute the Trustees shall have power: (ii) to make such arrangements generally for the administration of the Scheme as they may think fit and in particular to employ such agents and staff including a secretary (who may be one of the Trustees) to transact any business of the Scheme including the receipt and payment of money and to pay such reasonable remuneration as they think fit to any such person or persons which remuneration shall be deemed to be part of the expenses incurred by the Trustees in connection with the Scheme.”

Expenses

- Clause 5(i): “The Trustees may in relation to this Deed and Rules obtain and rely upon the advice or opinion.....of any lawyer broker actuary accountant investment adviser or other professional person and shall not be responsible for any loss occasioned thereby. The cost of obtaining such advice or opinion shall form part of the expenses incurred by the Trustees in connection with the scheme.
- Clause 5(iii): “The Employers shall pay any expenses of administration and tax incurred by the Trustees in connection with the scheme which in the opinion of the Trustees cannot be met out of the assets of the scheme without prejudicing the benefits to be provided.