

T. Rowe Price (Luxembourg) Management S.à r.l. - Remuneration Policy Statement

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1. Introduction

T. Rowe Price (Luxembourg) Management S.à r.l (TRPLUX) acts as the management company for a number of funds that qualify either as Alternative Investment Funds (AIFs) under the Alternative Investment Fund Managers Directive 2011/61/EU, as amended (AIFMD), or as Undertaking for Collective Investment in Transferable Securities (UCITS) under Directive 2009/65/EC, as amended, (the UCITS Directive).

TRPLUX is also authorized as an Alternative Investment Fund Manager (AIFM) under AIFMD and authorised pursuant to Art. 101 (3) of the December 17th, 2010, Law to provide discretionary portfolio management and investment advisory services.

This Remuneration Policy Statement (**RPS**) sets out the policies, practices and procedures followed by TRPLUX to comply with:

- the European Securities and Markets Authority's "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD," (the **AIFMD Guidelines**);
- the associated European Securities and Markets Authority's "Guidelines on sound remuneration policies under the UCITS Directive," (the **UCITS Guidelines** and together with the AIFMD Guidelines referred to as the **Guidelines**).
- CSSF Circular 10/437 regarding "Guidelines concerning the remuneration policies in the financial sector" (the **Circular**), published February 1st, 2010.
- The UCITS Directive as transposed into Luxembourg by means of the law of December 17th, 2010, Law relating to undertakings for collective investment (the 2010 Law).
- The AIFMD as transposed into Luxembourg by means of the Law of July 12th, 2013 (the AIFM Law); and
- ESMA Q&As on the application of the UCITS Directive and the AIFMD and CSSF circular 23/841.

2. Application to TRPLUX

TRPLUX's ultimate parent company is T. Rowe Price Group, Inc. (**TRPG**). TRPLUX has appointed several executive directors, and the firm has an agreement in place with other group entities; the effect of which is to place the resources of other group entities (predominately affiliates of TRPG) at its disposal. The policies, practices and procedures described herein predominately reflect those of TRPG. References within this Policy Statement to "T. Rowe Price" and the "company" refer to TRPG; references to the "firm," "UCITS management company," "UCITS authorised corporate director" or the AIFM refer to TRPLUX.

3. Proportionality

3.1. Under the guidelines

Paragraphs 23 - 31 of the AIFMD Guidelines and paragraphs 22 - 27 of the UCITS Guidelines provide guidance on how AIFs and UCITS respectively can apply proportionality in complying with the Guidelines. The Guidelines allow AIFMs and UCITS management companies to comply with the remuneration principles in a way that is appropriate to their size, internal organisation and the nature, scope, and complexity of their activities. The AIFMD Guidelines further set out that for an AIFM to disapply any of the remuneration requirements under AIFMD, the AIFM must be able to explain the rationale to the relevant competent authority. The UCITS Guidelines state that not all management companies should have to give substance to the remuneration requirements in the same way and to the same extent.

The table below summarises the assessment undertaken to reach the determination that, on the basis of proportionality and to the extent permitted, TRPLUX will disapply the remuneration guidelines on:

- Variable remuneration in instruments
- Retention
- Deferral
- Ex-post incorporation of risk for variable remuneration
- The establishment of a remuneration committee

Proportionality element	Factor	Assessment for TRPLUX
Size	Number of partners, members, employees, and consultants performing services for TRPLUX	The current size of the funds means that the number of remuneration code staff, when compared to other similar firms, is limited.
Internal Organisation	Whether TRPLUX is listed and traded on a regulated market.	TPRLUX is part of a listed group, but it is not itself listed and therefore this favours the disapplication of the Pay-Out Process Rules.
	Ownership structure - whether a significant portion of TRPLUX's equity or such other appropriate legal and/or economic interests is held by investors	As explained below, T. Rowe Price grants long-term equity-based compensation from the T. Rowe Price Group 2020 Long-Term Incentive Plan, which was approved by shareholders on 12 May 2020 ("LTIP"), and from the T. Rowe Price Group Mutual Fund Unit Plan ("MFUP"). This would favour the disapplication of some or all of the Pay-Out Process Rules on the grounds of proportionality in respect of the senior management, such as the requirement on ex-post incorporation of risk. TRPLUX's existing equity program based on the LTIP for TRPG stock, and the MFUP, is a prudent and effective method of aligning risk and all our constituents' interests.
Proportionality element	Factor	Assessment for TRPLUX

Nature, scope, and complexity of activities	Investment strategies.	The sub-funds within the UCITS are equity, bond and multi-assets funds and have a broad range of geographical focus, and in some instances make use of derivative products.
	Risk management and monitoring.	We apply regulatory investment restrictions, which prescribe to a degree portfolio manager risk taking and in addition we have an investment risk team and investment management governance processes to monitor and if necessary, to take action to limit portfolio manager risk taking. This favours disapplication of the deferral and retention requirements
	Nature and structure of sub-funds	Each of the sub-funds is a clone of an existing investment strategy managed by one of TRPLUX's affiliates, which act as master portfolios.
	Level of risk	All UCITS, which represent the vast majority of the assets under the management of TRPLUX have a lower level of investment strategy implementation risk. Also, the AIFs managed by TRPLUX do not implement very complex or sophisticated investment strategies and would therefore not be considered to significantly increase the overall level of investment strategy implementation risk.
	The nature of any delegation arrangement between TRPLUX and its delegates	TRPLUX delegates investment management to T. Rowe Price International, Ltd., an FCA regulated UK group company that is subject to the FCA's MIFIDPRU Remuneration Code. Depending on the investment strategy, TRPLUX may also delegate investment management to other entities within T. Rowe Price Group. Such entities will provide services to TRPLUX based on appropriate contractual arrangements, with the required information about the remuneration of the identified staff on the delegate level in accordance with the Guidelines.
	The nature of certain fee structures such as performance fees or carried interest	This factor may be considered where fee structures satisfy the objectives of alignment of interest with investors and avoid incentives for inappropriate risk-taking. There are no performance fees charged by TRPLUX which means that there is no incentive for the delegated investment manager to engage in excessive risk taking in pursuit of higher performance fees.

3.2. Under the Circular

Paragraph 1.5 of the Circular notes that financial undertakings may take into account the nature, the size as well as the specific scope of their activities when taking measures to ensure implementation. It is further noted that the CSSF will take into account the size of the financial undertaking, the nature and the complexity of its activities when monitoring compliance with the Circular. Similar to the application of proportionality under the Guidelines, TRPLUX will disapply the sections of the Circular in respect of deferral, bonus clawback the ex-post incorporation of risk for variable remuneration and the establishment of a remuneration committee.

4. Remuneration principles

Notwithstanding the above assessment of the application of proportionality for TRPLUX, the following summary of our Remuneration Principles demonstrates that our existing remuneration principles, schemes, and practices are aligned with the Management Company, client interests, and T Rowe Price Group Code of Ethics and Conduct (“Code of Ethics”).

4.1. Identified staff

The Guidelines note that AIFMs and UCITS must identify the staff covered by the Guidelines and classify them as “Identified Staff.” The definition of Identified Staff covers the following categories of staff unless it can be shown that they have no material impact on the UCITS’ or AIFs’ risk profile.

- Board members
- Senior management
- Control Functions (i.e., risk management, compliance, internal audit)
- Staff responsible for portfolio management, administration, marketing, and HR
- Other risk takers who can exert a material influence on the TRPLUX’s risk profile.
- Individuals receiving equivalent remuneration to anyone already included as “Identified Staff” from the criteria above
- Staff of delegate entities whose professional activities have a material impact on the risk profile of the UCITS or AIF that the management company manages

4.2. Remuneration Schemes

4.2.1. Fixed

It is TRPLUX’s policy to pay staff a base salary which is sufficiently high to attract talent in a highly competitive marketplace and effectively retain that talent by providing a fair reward for the services rendered in line with their education, seniority, and expertise. The base salary, set at a level to support a fully flexible bonus policy, is not subject to changes related to the achievement of punctual or short-term objectives.

4.2.2. Variable

T. Rowe Price has an annual bonus pool which is administered by the Group Management Compensation and Development Committee (the MCDC) and used to provide annual cash incentive compensation to all eligible employees (7,605 associates participated in 2024). Variable compensation is delivered as a combination of cash bonus and in some cases long-term incentives (LTI) awards and MFU awards. The Executive Compensation and Management Development Committee (the ECMDC) of the T. Rowe Price Group Board of Directors oversees and approves the total amount allocated to the annual bonus pool and approves annual long-term incentives awards for our associates. Individual bonuses and/or long-term incentives awards/MFU awards are based on individual performance against a combination of financial, operational, or other strategic objectives. Individual performance for our investment management staff is assessed against pre-determined objectives and considered over a multi-year timeframe, and factors in both relative investment performance and other non-financial contributions to the company's long-term performance and development of talent. In assessing the performance of our distribution staff, more emphasis is placed on gross and net flows over one and three-year periods; however, such targets form one element of an individual's performance assessment, and sales bonuses are not formulaically linked to those targets such that no individual sales action could result in a calculable payout.

The size of the overall bonus and long-term equity pools will vary annually, based upon the MCDC and the ECMDC consideration of the company's financial performance, progress toward stated financial and non-financial objectives relating to the firm's long-term strategies and reputational success over time. We focus on valuing performance that serves the needs of our clients (such as investment performance and service quality for clients), and the best interests of our stockholders. Multiple years are typically considered to determine relevant performance and the size of the bonus and long-term incentives pools. This emphasis on multi-year results helps keep our employees focused on long-term performance for our clients and stockholders and reduces in some respects the year-to-year volatility of the aggregate pool. As neither the company's bonus pool, nor the individual awards can be solely formulaic, there is an upfront reduction of risk that a specific action could result in a pre-determined funding level or award amount to any one individual. Additionally, total bonus and long-term incentives compensation spend is considered in the context of company financial performance (including revenue and operating income), capital solidity and the competitive environment for talent.

T. Rowe Price grants long-term equity-based compensation from the T. Rowe Price Group 2020 Long-Term Incentive Plan, which was approved by shareholders on 12 May 2020 and from the MFUP. Under this plan, the ECMDC has the authority to grant stock appreciation rights, restricted stock awards, restricted stock units, MFU awards and stock options to plan participants. Participants generally receive their annual award value in the form of restricted stock units (RSUs) that vest over a five-year period, in equal tranches. Separately, named executive officers of TRPG receive their annual LTI award value in equal parts RSUs (vesting over 3-years) and performance-based RSUs (PSUs). PSUs awarded to executive officers are subject to company performance exceeding a 3-year performance goal before becoming eligible to vest in years 4 and 5 after grant.

All RSU and PSU awards are settled in stock, and sales of company stock are subject to the Company's Personal Trading Policy.

T. Rowe Price considers long-term equity-based incentives crucial to maintain a strong association between the compensation of our top managers and key professionals and our stockholders' long-term interests. The vesting of equity awards over 5 years aligns the value of those awards to longer-term interests of the company's clients. We believe that our long-term equity-based compensation program is a significant factor in achieving this goal. Like the bonus planning process, business unit leaders provide recommendations for long-term incentive awards to the MCDC. In 2024, there were 1,460 associates globally who received long-term incentives awards.

4.3. Governance

The board of TRPLUX will undertake a review of this RPS at least annually. The board is also responsible for overseeing the implementation of the RPS. The adoption and review will be undertaken by members who do not perform any executive functions in the management company concerned and have expertise in risk management and remuneration.

As noted above, on the basis of proportionality TRPLUX does not have its own Remuneration Committee. Remuneration for TRPLUX associates is however subject to the oversight of several committees within the TRPG compensation process.

The MCDC currently consists of TRPG CEO, who chairs the committee, and other senior executives who are appointed by the ECMDC from time to time. The MCDC reviews and approves the company's year-end compensation award recommendations for associates other than the company's CEO and other executive officers. The committee is responsible for:

- overseeing and managing the philosophy, approach, and scope of the compensation programs at T. Rowe Price, including long-term incentive plans.
- considering the initial recommendations from the Business Unit Leaders for the annual salary increase targets, and in turn, setting those targets.
- determining bonus funding for the bonus program (in concert with the company's Management Committee).
- reviewing annual compensation recommendations (base, bonus, and long-term incentives) for the senior-most positions in the organization as well as all investment and sales roles; ensuring that the corporation is responsibly managing the compensation budget, while providing market competitive, internally equitable, performance-based pay; and
- reviewing firmwide annual talent reviews for senior leaders, specialists, and select associates; sponsor development and engagement activities for these associates; and oversee talent related strategies related to retention of key talent, succession for critical organizational positions, and demographic and diversity trends.

The ECMDC is comprised solely of the outside directors of T. Rowe Price Group's Board of Directors. The TRPG CEO, and the Head of Human Resources of TRPG (each a member of the MCDC) are typically invited to present at each meeting. The ECMDC has also retained an independent compensation consultant to assist in its governance responsibilities. The ECMDC is responsible for:

- determining the compensation of the chief executive officer and other executive officers.

- reviewing and approving general salary and compensation policies for the rest of our senior officers.
- overseeing the administration of our annual bonus pool, stock incentive plans, and employee stock purchase plan; and
- assisting management in designing compensation policies and plans.

In addition to the above committees, the Human Resources department plays a key role in vetting compensation decisions across the company, both during the year and in the year-end incentive award processes. Human Resources also has firm wide compliance oversight for the RPS to ensure the RPS and our practices are consistent.

4.4. Interest alignment

As noted above, the ECMDC is comprised solely of non-executive directors of the company. The company believes that its compensation programs are designed to reward executives and other senior officers for building and strengthening the very core of our company's long-term viability, which contributes to long-term value creation for our clients and stockholders. This includes integration of sustainability risks and Environmental, Social and Governance (ESG) objectives into our investment process and the performance assessment of investment professionals. We seek to accomplish this through a balance of short-term fixed and variable cash compensation, and long-term equity-based incentives. We believe the stability of our management team over long periods of time, our executives' and staff-wide level of ownership in the company, and our unwavering focus on generating outstanding long-term performance for our clients are evidence that we have created a powerful alignment of incentives between our executive team, our associates, our clients and our stockholders.

Each year, the ECMDC meets with senior management to identify goals which are consistent with the company's long-term objectives. Also, annual assessments focus on performance and factors related to positioning the company for long-term success. Building a company that can sustainably generate strong investment performance for our clients as well as TRPG stockholders requires a complex mix of managerial abilities. We believe the keys to such long-term success are:

- attracting talent in a highly competitive marketplace and effectively retaining that talent for long periods of time.
- protecting our corporate integrity and reputation as the keys to maintaining our valued clients' trust.
- providing our highest possible level of service quality and client focus.
- offering only products that we believe add value and can produce sustainable performance over complete market cycles.
- nurturing a culture of quality, collaboration, and independent thought to create an organization of motivated, engaged, team-oriented professionals who are loyal to our clients and our company.

Many of our executive officers' and senior managers' annual compensation is equity based, with five-year vesting requirements. This significantly aligns their pay to the continued success of the company.

4.5. Control functions

The control functions supporting TRPLUX are appropriately empowered and have the necessary authority, independence, and expertise to carry out their function and duties. The TRPLUX board ensures that the necessary resources are dedicated to TRPLUX's control functions, both in terms of quantity and quality of associates within the functions; with a significant focus on recruiting and retaining high quality individuals. Reports from the control functions are standing agenda items for the TRPLUX board.

Each control function has its own organizational structure which is independent of the business areas they oversee. The head of each relevant Control function reports to either a member of the firm's Management Committee or the Board.

Control function remuneration pools are established according to the company's financial performance and having regard to the capital solidity and risk environment. Allocation of such pool to individuals is based on achievement of predetermined objectives and independent of the results of the business units that are overseen.

We routinely monitor the remuneration of our staff against industry market data to ensure that we are paying competitively.

4.6. Consistency with sound and effective risk management

It is intended that the RPS is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking that is inconsistent with the risk profile, rules, or governing documents of the UCITS, or the AIFs managed.

In determining an individual's compensation, we analyse the goals, objectives, and the results of each individual. Inherent in that analysis is reviewing "how" the individual achieved his or her results. Thus, risk analysis is embedded in how we evaluate an associate's performance. Any risk management or compliance concerns, including but not limited to a regulatory or Code of Ethics breach, which are raised about an associate may be taken into consideration when assessing the associate's performance. Based on the circumstances, such breaches may be taken into consideration when assessing an individual associate's performance, and ultimately therefore impacting their compensation. Likewise, if an associate contributes to inappropriate risk taking that resulted or could have resulted in a material exposure to the firm, its AIFs or its UCITS, it would be taken into consideration in the determination of both annual cash and equity-based compensation adjustments.

In addition, our investment staff are responsible for incorporating sustainability and governance risks and other ESG factors into their investment recommendations and investment decisions, as appropriate to the relevant mandate. T. Rowe Price may hold its portfolio managers and analysts accountable for doing so by incorporating the extent of the integration of such risks into their individual investment processes as part of the qualitative aspect of performance assessments that determine each individual's compensation.

Additionally, the TRPLUX Board reviews this RPS annually to ensure remuneration practices are consistent with the firm's risk profile.

Investment discretion for the UCITS and all the AIFs is strictly controlled within mandated parameters. These parameters are generally coded within the Investment Manager's automated compliance system, strictly limiting the amount of risk that can be taken within the UCITS and each AIF.

4.7. Delegation

Where the firm delegates portfolio management activities, it shall require confirmation from the delegate entity that 1. it is subject to equally as effective regulation on remuneration, which shall include the rules of the Capital Requirements Directive, or 2. it sets its remuneration in compliance with a remuneration policy that is compliant with the relevant remuneration regulations.

4.8. Pension policy

TRPLUX provides a non-discretionary company pension plan to its employees; the plan is aligned with the business strategy, objectives, values, and long-term interests of the firm, the UCITS and AIFs it manages. The pension plan is designed to provide competitive benefits in order to attract and retain appropriately skilled and experienced staff. The benefits under the plan accrue based on a formulaic set percentage of basic salary. The plan does not therefore present plan participants with potential conflicts of interest and is consistent with the principles of sound risk management.

4.9. Guaranteed Variable remuneration

Guaranteed variable remuneration is exceptional and would in any case be limited to the first year of service, in the context of new staff hires.

4.10. Severance Pay (related to early termination)

Severance pay (subject to what is required under local law) is at the firm's absolute discretion but will reflect performance and will not reward failure.

4.11. Personal Investment Strategies

Employees must not use personal hedging strategies which could undermine the risk alignment effects embedded in remuneration policies.

4.12. Disclosure

TRPLUX will make this RPS available on request to all investors in the UCITS or in any AIFs that it manages. Additionally, TRPLUX will disclose in the annual report to investors, for each UCITS and each AIF that it manages, the total remuneration paid by the AIFM, the UCITS management company or the UCITS authorised corporate director respectively to the Identified Staff. A summary of the RPS is also disclosed in the prospectus of each UCITS as required under the 2010 Law.