

# Allspring Luxembourg Remuneration Policy

## 1. Introduction and Scope

1.1. This Allspring Global Investments Luxembourg S.A. ("**Allspring Luxembourg**") Remuneration Policy (the "**Allspring Luxembourg Remuneration Policy**") is designed in order that Allspring Luxembourg complies with the remuneration principles and guidelines imposed by the following and any other regulation, law supervisory guidance which apply to the conduct of Allspring Luxembourg business as the same may be amended from time to time, collectively, the "**Remuneration Requirements**":

- European Commission Recommendation 2009/384/EC, as implemented into Luxembourg law by the Luxembourg *Commission de Surveillance du Secteur Financier* ("**CSSF**") Circular 10/437 entitled "guidelines concerning the remuneration policies in the financial service sector" (the "**Remuneration Guidelines**")
- Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "**UCI Law**"), as amended from time to time, including by the Luxembourg law of 10 May 2016 transposing the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC (the "**UCITS V Directive**") relating to undertakings for collective investment
- ESMA Guidelines on sound remuneration policies under the UCITS V Directive published on 14 October 2016 (ESMA/2016/575) and ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA 2013/232) (together the "**ESMA Guidelines**")
- Luxembourg law of 12 July 2013 on alternative investment fund managers (the "**AIFM Law**") transposing the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFMD**")
- Commission delegated regulation (EU) 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
- CSSF circular 18/698 on the authorisation and organization of investment fund managers incorporated under Luxembourg law and including specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**Disclosure Regulation**")
- And such other applicable regulation and supervisory guidance relating to the conduct of business of Allspring Luxembourg.

1.2 Allspring Luxembourg is a Luxembourg management company authorized by the CSSF pursuant to chapter 15 of the UCI Law and chapter 5 of the AIFM Law. Allspring Luxembourg is in addition authorized to perform discretionary portfolio management to separately managed accounts ("**SMAs**") and investment advice in accordance with Article 101(3) of the UCI Law and 5(4) of the AIFM Law. It is also authorized to provide receipt and transmission of order services in accordance with Article 5(4) of the AIFM Law. It is the intention of Allspring Luxembourg to comply with any final remuneration requirements implemented under the UCI Law, the AIFM Law, as well as the ESMA Guidelines and any other applicable law, regulation, CSSF circular or any relevant guidelines issued by ESMA, which apply to the conduct of its business, and to effect such modifications and amendments to this Allspring Luxembourg Remuneration Policy as may be necessary from time to time. In light of the similarities between the Allspring Luxembourg MiFID activities and AIFM/UCITS activities, AIFMD or UCITS remuneration requirements are applied to the entire business of Allspring Lux.



1.3 All branches of Allspring Luxembourg are in scope of this Allspring Luxembourg Remuneration Policy which as of the date hereof are:

- Allspring Global Investments Luxembourg S.A. (Paris Branch)
- Allspring Global Investments Luxembourg S.A. (Frankfurt Branch)
- Allspring Global Investments Luxembourg S.A. (Milan Branch)

1.4 The ultimate parent company of Allspring Luxembourg, Allspring Group Holdings, LLC ("**Allspring**") has implemented policies and incentive compensation plans that apply to compensation for Allspring group-wide staff, including certain policies for particular functional areas. To the extent there is any conflict between the contents of this Remuneration Policy and such Allspring policies and incentive compensation plans, this Allspring Luxembourg Remuneration Policy shall prevail with respect to the application of the Remuneration Requirements to Allspring Luxembourg.

1.5 In accordance with the Remuneration Requirements, this Allspring Luxembourg Remuneration Policy and the overarching Allspring remuneration incentive compensation plans and policies and practices are consistent with and promote sound and effective risk management. The Allspring policies and incentive compensation plans along with this Allspring Luxembourg Remuneration Policy are designed so that excessive risk-taking is not encouraged.

1.6 This Allspring Luxembourg Remuneration Policy may be subject to periodic independent review by Allspring Internal Audit and will be subject to the independent review of the internal audit function of Allspring Luxembourg, to the extent that Allspring Luxembourg maintains a separate internal audit function.

## 2. Responsibility and Review

2.1 Allspring applies a group-wide approach to remuneration policies and incentive compensation plans for all Allspring subsidiaries and affiliates, including Allspring Luxembourg. The Allspring Luxembourg Board of Directors retains ultimate responsibility for oversight and supervision of the remuneration strategy for Allspring Luxembourg, including its Identified Staff, with support from the Allspring Luxembourg Conducting Officers with the implementation of this Policy. The Allspring Luxembourg Board reviews this Policy and its general principles, at least annually.

2.2 The Allspring board of directors (the "**Allspring Board**") and its supporting groups with delegated authority to, among other things, oversee and set the global business strategy and centralised operations of Allspring Global Investments Allspring and its subsidiaries, including Allspring Luxembourg. The Allspring Board and supporting groups will consult with Allspring's finance, risk, legal and compliance leadership with respect to escalation and review of relevant conduct and risk matters under corporate policies and procedures. The review of performance and incentive outcomes for Allspring Luxembourg Identified Staff (as defined below) and other Allspring group-wide remuneration procedures will apply the philosophy and approach set out in Section 4 '*Remuneration Philosophy and Approach*' below.

2.3 No amendment to or exception from this Allspring Luxembourg Remuneration Policy should be made without the approval of the Allspring Luxembourg Board.

## 3. Application of the Remuneration Policy

3.1 For purposes of this Allspring Luxembourg Remuneration Policy, the reference to 'Identified Staff' employees are those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the Allspring Luxembourg risk profile or the risk profiles of the SMAs, AIFs



and UCITS that it manages. For further details on the Identified Staff, please refer to Appendix 1. Parts of this Allspring Luxembourg Remuneration Policy apply to all employees of Allspring Luxembourg (see Section 4) and additional provisions may only apply to certain Identified Staff (see Section 5).

3.2 To the extent that Allspring Luxembourg delegates portfolio or risk management functions to a third-party entity, including an affiliate, Allspring Luxembourg shall ensure that (i) the entities to which such functions have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines, or (ii) it has appropriate contractual arrangements with the respective delegates to ensure that there is no circumvention of the UCITS/AIFMD remuneration requirements.

3.3 For the purposes of this Allspring Luxembourg Remuneration Policy, “remuneration” consists of (i) all forms of payments or benefits paid directly by Allspring Luxembourg, (ii) any amount paid by SMA clients, (iii) any amount paid by the UCITS/AIFs (including performance fees and carried interests)<sup>1</sup>, and (iv) any transfer of units or shares of the AIFs/UCITS in exchange for professional services rendered by Allspring Luxembourg’s Identified Staff<sup>2</sup>. Allspring Luxembourg Remuneration can be divided into:

- (a) Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- (b) Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

3.4 Both components of remuneration (fixed and variable) may include monetary payments and benefits (such as cash, or non-cash instruments) or non (directly) -monetary benefits (such as, health insurance, fringe benefits or special allowances for car, mobile phone, etc).

## 4. Corporate practices and requirements applicable to all employees

### 4.1 Remuneration Philosophy and Approach

4.1.1. Performance Management. The performance management process is summarised within the Team Member Handbooks. The performance management process is applicable to all team members and provides managers and team members with guidance on performance management across Allspring, including objective setting and rating team member performance against objectives.

4.1.2. Remuneration Philosophy. The foundation of Allspring’s approach to remuneration is based on three remuneration principles:

- (a) Pay for performance. Compensation is linked to Allspring and individual performance, including meeting regulatory expectations and creating long-term value consistent with the interests of shareholders.
- (b) Promote effective risk management. Compensation promotes effective risk management and discourages imprudent or excessive risk-taking.
- (c) Attract and retain talent. People are one of Allspring’s competitive advantages. Therefore, compensation helps attract, motivate, and retain people with the skills, talent, and experience to drive superior long-term company performance.

<sup>1</sup> It is not current practice for the UCITS/AIFs to pay remuneration to Allspring Luxembourg’s Identified Staff, and no such practice is currently contemplated.

<sup>2</sup> It is not current practice for Allspring Luxembourg Identified Staff to receive transfers of units of Allspring UCITS and/or AIFs as part of remuneration and no such practice is currently contemplated.



Allspring employs a group-wide approach to ensuring that Allspring's remuneration policies and practices as set forth in the Allspring policies and incentive compensation plans and, by extension, this Allspring Luxembourg Remuneration Policy, promote sound and effective risk management which does not encourage risk taking that could exceed the Allspring's levels of tolerated risk and the risk profiles, rules or instruments of incorporation of the products that Allspring manages.

Allspring Luxembourg Remuneration Policy and the Allspring incentive compensation plans are designed to be gender neutral. Accordingly, assessments of performance and incentive compensation outcomes are not affected or determined by an employee's gender.

## 4.2 Remuneration structure

4.2.1 The Allspring Human Resources function is primarily responsible for identifying the remuneration structure applicable to roles within Allspring, including those within Allspring Luxembourg.

4.2.2 The compensation structure for Allspring includes a competitive fixed base salary plus variable incentives and, for some staff, deferred compensation, payable annually and over a deferred period. Allspring participate in third party investment management compensation surveys with market-based compensation information to help support individual pay decisions and to ensure its compensation is aligned with the marketplace. In addition to investment management compensation surveys, Allspring also consider prior professional experience, tenure and seniority when determining total compensation. In addition to a robust firm culture that emphasizes career growth opportunities, Allspring offers a competitive compensation package that includes a base salary, incentive compensation, and for some staff a deferred compensation plan focused on employee retention. Deferred long-term incentive awards are an important component of some staff's total incentive opportunity. Long-term incentives are typically awarded in the form of investible long-term compensation which vests over a period of time. Awarded annually, long-term incentives continue to build over time, enhancing retention opportunities for key staff.

4.2.3 Non-cash benefits and, on a limited basis, allowances paid in cash may be provided to employees as part of an overall competitive remuneration package.

4.2.4 Incentive Compensation/variable remuneration: The Allspring Human Resources function designs and administers the long-term incentive plan (cash and non-cash) and the corporate annual discretionary bonus arrangements. Incentive compensation may consist of annual discretionary incentive, functional incentive (such as commission) as deemed appropriate for specific role types, and long-term incentive either as a result of deferral from annual discretionary incentive, or as stand-alone discretionary awards for eligible employees. Payment may be in the form of cash, or deferred cash or non-cash awards.

4.2.5 Discretionary annual incentive compensation/variable remuneration for Allspring is subject to the oversight of Allspring Luxembourg's Board of Directors. Annual discretionary incentive opportunities are generally calculated as a percentage of the fixed remuneration amount and can take the following form (i.e., cash, non-cash or a combination of both), taking into consideration a number of factors including, but not limited to, capital planning. Discretionary annual incentive plans are designed to provide for adjustments down to zero. All Allspring incentive compensation arrangements are required to have at least one or more of the following core balancing features based on the employee's ability to control or influence risk taking and the time horizon of the risks taken. Certain of these risk-adjustment features may also be used for prior performance years.

4.2.6 Variable remuneration is paid or awarded only if it is sustainable according to the financial situation of Allspring and Allspring Luxembourg, and justified according to the performance of the SMAs, the AIFs the UCITS and the individual concerned. Variable remuneration may be subject to:



- (i) *Disqualifying factors* Incentive opportunity will be nullified or reduced according to disqualifying factors and consideration of other material factors covering individual and corporate performance thresholds and compliance with ethics, risk and general employment standards.
- (ii) *Knockouts*: Required compliance with internal policies and applicable compliance and risk management accountabilities or a complete forfeiture of variable remuneration.
- (iii) *Diminishing Marginal Payouts*: Reduces the incentive for taking incremental risk.
- (iv) *Maximum Payout Limits*: Limits the upside to discourage additional risk taking beyond an appropriate level of tolerated risk. The limits can apply to the aggregate pay opportunity (such as in the case of the Allspring discretionary annual incentive plans including the plan applicable to Allspring Luxembourg Identified Staff) or by risk metrics.
- (v) *Extended Performance Measurement Period*: Incentive compensation based on risk outcomes measured over more than 12 months.
- (vi) *Deferrals*: Payouts deferred for periods greater than 12 months until risk outcomes are known, and payments adjusted by a performance and risk metric.
- (vii) *Clawbacks*: Clawback provisions if, after payment of the incentive compensation, it is determined that such payment violated any applicable law, rule or regulation.

### 4.3 Remuneration principles

4.3.1 In respect of all Allspring Luxembourg employees (including, where applicable, Conducting Officers, or others filling control functions who may not be employees), Allspring Luxembourg's remuneration arrangements are based on the following principles:

(a) Remuneration arrangements must be based on multiple drivers of long-term business performance, including financial and non-financial risks.

(b) Remuneration arrangements must be consistent with, and promote, the long-term safety and soundness of Allspring Luxembourg and Allspring, and should produce outcomes that are symmetric with risk outcomes. All variable remuneration arrangements must undergo a documented risk assessment review identifying inherent risks associated with the activities subject to the arrangement and the balancing features within the arrangement specific to the risks taken.

(c) Remuneration arrangements must be aligned with Allspring Luxembourg's risk appetite, its business strategy, objectives, values, the interests of Allspring Luxembourg and the products that it manages and of the investors in such products, and the avoidance of conflicts of interest. Allspring team members must comply with the terms of Allspring conflicts of interest policies which require team members to avoid conflicts of interest or the appearance of a conflict of interest in their personal and business activities. In order to avoid potential conflicts of interest with respect to the governance and administration of remuneration arrangements:

(i) All revenue generation remuneration arrangements must be administered by (i.e., accountable to) a member of management who does not participate in the revenue generation plan, and

(ii) Further Allspring standards and practices discussed below also apply in relation to the structure of remuneration arrangements for line of business control function staff.



(d) Remuneration arrangements must be aligned to the risk time horizon of the activity for which the remuneration is being paid.

(e) Remuneration arrangements must enable Allspring Luxembourg to align the interests of the SMAs, AIFs/UCITS and their respective investors with those of the Identified Staff that manages such SMAs and AIFs/UCITS.

(f) Risk, Compliance and internal audit must be involved in the monitoring of variable remuneration arrangements.

(g) The Allspring and Allspring Luxembourg remuneration approach takes into account the long-term interests of employees, investors and other stakeholders. Where remuneration is performance related, the total amount of remuneration is generally based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of Allspring Luxembourg and when assessing individual performance, both financial and non-financial criteria are taken into account.

(h) Guaranteed variable remuneration is exceptional and occurs only when hiring new staff and where Allspring Luxembourg has a sound and strong capital base and is limited to the first year of employment.

(i) Fixed and variable components of total remuneration are periodically reviewed to ensure appropriate balance and the fixed component represents an appropriate proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component.

(j) Payments related to the early termination of a contract must reflect performance achieved over time and be designed in a way that does not reward failure or in a manner that is inconsistent with this Policy.

(k) Remuneration packages related to compensation or buyout from contracts in previous employment must align with the long-term interests of Allspring and Allspring Luxembourg, including retention, deferment, performance and clawback arrangements.

(l) The assessment of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment for all types of current and future risks so that variable remuneration arrangements are appropriately risk-balanced and also takes into account the quality of financial results as appropriate based on the particular level and role of the individual within Allspring and Allspring Luxembourg.

(m) In the event Allspring Luxembourg is no longer able to apply proportionality as contemplated in this Policy, and subject to the legal structure of the AIFs/UCITS and their respective fund rules or instruments of incorporation, a substantial portion, and in any event at least 50 %, of any variable remuneration component consists of units of the AIFs/UCITS concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this point, unless the management of the AIFs/UCITS accounts for less than 50 % of the total portfolio managed by Allspring Luxembourg, in which case the minimum of 50 % does not apply. The instruments referred to in this clause 4.3(m) shall be subject to an appropriate retention policy designed to align incentives with the interests of Allspring Luxembourg and the AIFs/UCITS that it manages and the investors of such AIFs/UCITS. The Member States or their competent authorities whose regulations Allspring Luxembourg may be subject to from time to time, may place restrictions on the types and designs of those instruments or ban certain instruments as appropriate. This point shall be applied to both the portion of the variable remuneration component deferred and the portion of the variable remuneration component not deferred.

(n) In the event Allspring Luxembourg is no longer able to apply proportionality as contemplated in this Policy, a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the investors of the AIFs/UCITS concerned and is



correctly aligned with the nature of the risks of the AIFs/UCITS in question. The period referred to in this clause 4.3(n) shall be at least three years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount shall be deferred.

(o) The allocation of the variable remuneration components within Allspring Luxembourg also takes into account all types of current and future risks and is subject to appropriate malus or clawback arrangements.

(p) The Allspring Luxembourg pension policies are in line with the business strategy, objectives, values and long-term interests of Allspring Luxembourg as follows:

- (i) the Allspring pension scheme covering Allspring employees in Luxembourg provides fixed employer contributions which match employee personal contributions up to a maximum contribution level defined by the plans. Allspring Luxembourg does not make discretionary payments to its pension schemes for current or terminated employees; and
- (ii) in addition, Allspring may have further pension schemes that continue for an interim period following a business acquisition.

(q) Staff members are prohibited from undertaking personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Entering into contracts to hedge against exchange rate risk associated with remuneration elements denominated in foreign currency (e.g., U.S. dollars) is permitted but Allspring will not be counterparty to the contract.

(r) Variable remuneration is not paid by Allspring Luxembourg through vehicles or methods that facilitate non-compliance with applicable remuneration requirements.

(s) The remuneration of Identified Staff is overseen by the Allspring Luxembourg Board, with final approval for performance ratings and variable remuneration subject to the approval of the applicable Corporate Functional Head and reported to the Allspring Luxembourg Board.

(t) The variable remuneration for Identified Staff does not exceed EUR 250,000 Euro per year.

#### 4.3.2 Remuneration Principles Specific to Control Functions

(a) Employees engaged in Allspring Luxembourg's risk, compliance and internal audit functions are independent from the entities they oversee, have appropriate authority, and are remunerated adequately to attract qualified and experienced employees. Their performance is assessed by functional heads and line managers with oversight by Allspring Luxembourg Board and they are paid in accordance with the achievement of the objectives linked to their functions, independent of the specific performance of the functional areas they oversee/control. The remuneration of the senior officers in the risk management and compliance functions is directly overseen by their manager(s).

(b) All incentive-eligible control function employees must not have a financial performance objective-related goal unless the objective is related to expense management, business strategy, or risk mitigation activities.

#### 4.3.3 Remuneration Principles Specific to Allspring Luxembourg Board.

The remuneration of the members of the Allspring Luxembourg Board, as paid solely with respect to their roles as directors, and not with respect to their Allspring functional roles, will be fixed by [the Chair of the Board of Allspring Luxembourg within any guidelines or criteria set by Allspring]. If Allspring as shareholders decide to allocate a lump sum to the Allspring Luxembourg Board rather than allocating a sum to each member of the Allspring Luxembourg Board, the



envelope will be allocated between members of the Allspring Luxembourg Board by the Allspring Luxembourg Board itself on the basis of the powers, duties, expertise and responsibilities of each Allspring Luxembourg Board member. In case the Allspring Luxembourg Board deliberates on the remuneration of one of its members in accordance with the foregoing, the member whose remuneration is discussed shall abstain from voting and from participating in the deliberations regarding his remuneration.

The remuneration of the members of the Allspring Luxembourg Board, insofar as such compensation is paid solely with respect to such individual's role as an Allspring Luxembourg Director, will not be directly linked to the returns of Allspring Luxembourg.

#### 4.4 Integration of sustainability risks

4.4.1 Remuneration is assessed against a range of relevant financial, employee, customer, and investment return targets designed to promote sound and effective investment management. This includes disciplined investment risk management, which incorporates one or more of environmental, social and governance related risk.

4.4.2 Allspring investment processes are designed to prioritize generating investment performance for Allspring clients, and include the consideration of any environmental, social or governance related risk or condition that could have a positive or negative impact on investment performance. The Allspring investment teams utilize both internal and external resources to manage and evaluate ESG-related risk, and significant risks are identified and communicated to Allspring teams utilizing group-level risk management framework.

4.4.3 The Allspring remuneration policies are designed to align Allspring investment professionals' compensation with the investment performance expectations of Allspring clients, and also include financial performance of the business as a consideration in line with the Pay for Performance element of the Allspring 'Remuneration Philosophy and Approach' set out above.

## 5. Additional Requirements applicable to Certain Specified Staff (Identified Staff, as applicable)

In respect of Identified Staff, as applicable, Allspring Luxembourg's remuneration arrangements are also based on the principle that a multi-year framework will be considered in the assessment of the Identified Staff members so that the assessment process is appropriately based on longer-term performance of AIFs/UCITS and SMAs managed by Allspring Luxembourg and their investment risks and, where appropriate, to ensure that the actual payment of performance-based components of remuneration is spread over a period which takes account of holding period recommended to investors of the AIFs/UCITS managed by Allspring Luxembourg and the SMA clients of Allspring Luxembourg.

## 6. Proportionality

6.1 **Criteria.** Allspring Luxembourg applies proportionality applying the following criteria which is reviewed by the Allspring Luxembourg Board on an annual basis:

- (i) Proportionality shall be assessed in respect of Allspring Luxembourg as a AIFM/UCITS management company with MiFID top-up on a yearly basis to determine if proportionality continues to be appropriate





- (ii) In analyzing the criteria, Allspring Luxembourg utilizes Control and Administrative Functions, including Human Resources, Finance and Risk, which might be functions delegated to affiliated and unaffiliated companies and has implemented a robust oversight framework reviewing both proportionality criteria and compensation philosophy and policies.
- (iii) The criteria applied, as indicated below, include: whether the simplicity of the internal organization, nature and scope of Allspring Luxembourg activities have changed in the preceding year; whether the robust control functions have been impacted by any organizational or personnel changes in the preceding year; whether the products offered have changed sufficiently to warrant changes in personnel and whether such changes have been effectuated, whether the size of the operations have changed materially; whether the investment policies of the products and sub-funds under management have changed in complexity; and whether there have been any other changes to the offers or functions of Allspring Luxembourg that impact operations.

## **6.2. Application of Proportionality to Allspring Luxembourg.**

6.2.1 Internal Organization; Nature and Scope of Activities. Consideration shall be given to the activities performed by Allspring Luxembourg and its relevant licensing, whether it is listed on a stock-exchange, delegates some of its activities, has any branches or subsidiaries, the number of employees, the robustness of its risk management framework and the geographic scope of its activities (e.g., whether it is involved in the management of AIFs/UCITS established in other jurisdictions and/or marketing of AIFs/UCITS into other EU or non-EU jurisdictions).

### 6.2.2 Size

Consideration shall be given to the number of AIFs/UCITS managed, including the number of umbrella funds and the number of sub-funds within such umbrella funds. Consideration shall also be given to the number of SMAs managed. Lastly, consideration shall be given to the assets under management (AUM) within the AIFs/UCITS and SMAs managed by Allspring Luxembourg.

### 6.2.3 Nature, Complexity and Risk Profiles of SMAs and Funds

In considering the nature, complexity, and risk profiles of the SMAs and funds under Allspring Luxembourg management, the following (among other factors deemed relevant by the Allspring Luxembourg Board) shall be taken into account:

- (i) The complexity of the investment policies of the SMAs and funds under management.
- (ii) The sophistication of portfolio management techniques utilized (e.g., use of securities financing transactions, derivatives, and commodity instruments, and proportion of AUM exposed to such transactions).
- (iii) SRRIs (SRRIs for SMAs shall be computed on the basis of the SRRI methodology applied to AIFs/UCITS).
- (iv) The number and relative proportion of structured AIFs/UCITS and non-structured AIFs/UCITS.

## **6.3. Remuneration committee**

6.3.1 In accordance with points 53 and 54 of the ESMA Guidelines and on the basis of the proportionality principle, Allspring Luxembourg has decided not to establish a remuneration committee within the meaning of the ESMA Guidelines. This is justified by the fact that:

- Allspring Luxembourg has a non-complex internal organization
  - Allspring Luxembourg's legal structure does not include a separate supervisory function;
  - Allspring Luxembourg has a simple internal governance structure (i.e. staff report to conducting officers, who in turn report to the Board);
  - Allspring Luxembourg is not listed; and



- Allspring Luxembourg has less than 50 employees.

6.3.2 In consideration of the factors outlined in 6.1, Allspring Luxembourg applies proportionality as set out herein. Allspring Luxembourg therefore applies proportionality to neutralize the following AIFMD/UCITS remuneration requirements: deferral, variable remuneration in instruments, retention periods, ex-post risk adjustment mechanisms (i.e. malus and clawback), and the requirement for the setting up of a remuneration committee.

## Appendix 1

### Identified Staff

The Identified Staff list of Allspring Luxembourg<sup>3</sup> \* is as follows:

- Allspring Luxembourg Board Members<sup>4</sup>
- Allspring Luxembourg Conducting Officers
- Allspring Luxembourg Risk Manager
- Allspring Luxembourg Compliance Managers
- Allspring Luxembourg Branch Managers
- Allspring Luxembourg Sales team members

The internal audit function is provided by an independent third-party firm that is paid a pre-approved flat fee, so the internal audit function is not currently included among Identified Staff.

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<sup>3</sup> Other Identified Staff roles for Allspring Luxembourg may be classified over time if circumstances (e.g., changes to legislation and regulations) make this necessary.

<sup>4</sup> At the date of this Allspring Luxembourg Remuneration Policy, the Allspring Board members do not receive any variable remuneration for their functions as board members of Allspring Lux.



## Appendix 2

The Allspring Luxembourg Board is responsible for determining the corporate policy and the course of conduct of the management and business affairs of Allspring Luxembourg, including Allspring Luxembourg remuneration policy.

The Allspring Luxembourg Board ensures Allspring Luxembourg's compliance with relevant internal policies and applicable laws and monitors Allspring Luxembourg's performance against these parameters.

### Execution

Subject to the oversight of Human Resources, each legal entity within Allspring is accountable for identifying employees whose activities, individually or as a group, may expose Allspring to material risk. Each line of business is responsible for understanding the risk associated with each role covered by an incentive arrangement and making sure the incentive arrangements of the line of business are balanced and do not encourage imprudent risk-taking.

In addition, the management teams within Allspring international locations are responsible for overseeing implementation and supervision of Allspring remuneration policies and practices in those locations.

The Allspring Luxembourg Board has appointed conducting officers who form a Committee of Conducting Persons of the Management Company and are jointly responsible for the execution of the decisions taken by the Board and the effective management of the funds managed by the Management Company.

### Disclosure

Allspring Luxembourg adopts a proportionate approach to disclosure about remuneration-related issues in a manner relevant to its size, scope, complexity and risk profile.

#### 1) External disclosure

- a) The annual report for each Allspring Luxembourg -managed fund generally shall disclose the following information, amongst others:
  - The number of Allspring Luxembourg Identified Staff
  - The total amount of remuneration paid to Allspring Luxembourg's Identified Staff for the financial year, split into fixed and variable remuneration, and where relevant, any amount paid directly by the AIFs/UCITS itself, including any performance fee;
  - Number of employees within Allspring Luxembourg and the aggregate amount of remuneration broken down by categories of employees;
  - A description of how remuneration and benefits have been calculated;
  - The outcome of the annual reviews of the principles and implementation of the Allspring Luxembourg Remuneration Policy by the management body, including any irregularities that have occurred;
  - Material changes to the adopted Allspring Luxembourg Remuneration Policy.
- b) The prospectus and/or KIID (where appropriate) of the UCITS funds shall also include a summary of the Allspring Luxembourg Remuneration Policy and/or other information specified in the relevant law and regulation, as well as the website address at which the full Allspring Luxembourg Remuneration Policy can be found, and note that a paper copy will be made available free of charge upon request.
- c) The Sustainable Finance Disclosure Regulation requires Allspring Luxembourg to include in its remuneration policy information on how its policy is consistent with the integration of sustainability risks. The same information (or a summary of it) must be published on Allspring Luxembourg's website.



## 2) Internal Disclosure

Allspring Luxembourg shall ensure that all of its employees are kept informed about their remuneration, the criteria used to measure their performance and the link between performance and pay (through the intranet platform, for example). A paper copy of the Allspring Luxembourg Remuneration Policy will be available free of charge upon request to Human Resources.

## Independent Assessment

The internal auditors and Allspring Internal Audit provide independent assessment of (1) implementation of the incentive risk management process in each line of business, and (2) compliance and documentation at both the business and corporate levels, including the Allspring Luxembourg Remuneration Policy.