Summary of BlackRock Remuneration Policy for UCITS Management Companies

The Policy remains under regular review and will be updated as required to ensure compliance with all regulatory obligations.

Introduction

All of the BlackRock UCITS Management Companies ("ManCos") which include those authorised under the UCITS Directive 2009/65/EC (the "UCITS Directive"), as amended by Directive 2014/91/EU (the "UCITS V Directive") and those authorised and regulated as a UCITS management company in the United Kingdom by the FCA are subject to BlackRock's (hereafter "BlackRock" or the "firm") global remuneration policy (the "Global Policy"). In addition to the Global Policy, the BlackRock Remuneration Policy for UCITS Management Companies (the "Policy") will apply to each ManCo and its identified staff (the "Identified Staff").

Together the Global Policy and the Policy are designed to support BlackRock's business objectives and values, including prudent risk management, by attracting, retaining and motivating key talent to achieve these outcomes as well as to ensure compliance by the ManCos with the remuneration rules applicable to UCITS ManCos in the relevant jurisdiction.

Remuneration Governance

Governance processes ensure robust oversight of reward, effective management of any potential conflicts of interests and reflect the need to link remuneration decisions with risk appetite and profiles.

BlackRock's remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee ("MDCC") (which is the global, independent remuneration committee for BlackRock, Inc. and (b) the ManCo's board of directors (the "ManCo's Board"). These bodies are responsible for the determination of BlackRock's remuneration policies which includes reviewing the remuneration policy on a regular basis and being responsible for its implementation.

Conflicts of interest

The Policy is designed to avoid conflicts of interest between the relevant ManCo and the interests of investors.

Decision-making process

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual variable remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award. The variable remuneration awarded to any individual(s) for a particular performance year may also be zero.

Annual incentive awards are paid from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate of the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Enterprise Risk and Regulatory Compliance departments report to the MDCC on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions
Each of the control functions (Enterprise Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units and therefore staff members in control functions are remunerated independently of the businesses they oversee. The head of each control function is either a member of the Global Executive Committee ("GEC"), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock's EMEA regulated entities, including the ManCo.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the MDCC.

Link between pay and performance
There is a clear and well-defined pay-for-performance philosophy and compensation programmes which are designed to meet the following key objectives as detailed below:

- appropriately balance BlackRock's financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.'s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee's total compensation to the financial and operational performance of the business;
- promote sound and effective risk management across all risk categories, including sustainability risk;
- discourage excessive risk-taking (sustainability related or otherwise); and
- ensure that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but don't pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually; relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence;
- criticality to business; and

- supporting the firm's approaches to environmental, social and governance factors and diversity, equity and inclusion.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme.

BlackRock operates an annual discretionary bonus scheme. Although all employees are eligible to be considered for a discretionary bonus, there is no contractual obligation to make any award to an employee under its discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in BlackRock, Inc. stock and subject to additional vesting/clawback conditions. Stock awards are subject to further performance adjustment through variation in BlackRock, Inc.'s share price over the vesting period. As total annual compensation increases, a greater portion is deferred into stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests into three equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards may be made to select individuals to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual's role, business expertise and leadership skills.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin and Organic Revenue Growth. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favorably those products where key investors have "skin in the game" through significant personal investments.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the ManCo, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the ManCo or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;

- changes in role responsibilities; and
- revised regulatory direction.

Approach to determining Identified Staff
The Policy sets out in detail how the Identified Staff list for the ManCos comprise the following categories of staff whose professional activities have a material impact on the risk profiles of the ManCos or the Funds which they manage, including: senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

Remuneration of Identified Staff
All Identified Staff of the ManCos will receive a written communication in relation to their status and will be included on the maintained Identified Staff list. Upon the Policy becoming effective in respect of the ManCos, the following provisions will apply to employees of the ManCos who are Identified Staff.

At least 40% of the variable remuneration awarded to an individual on the Identified Staff list will be deferred over a period of time which takes into account the life cycle and redemption policy of the Fund in respect of which that individual provides services. Generally, it is expected that such deferral will be for a period of at least three years and shall vest no faster than on a pro-rata basis annually.

In the case of a variable remuneration component of a particularly high amount (see relevant Annex in relation to requirements of individual regulators), at least 60% of the amount will be deferred.

At least 50% of the variable remuneration awarded to an individual on the Identified Staff list will consist of appropriate "instruments" that once vested, will be subject to a minimum retention period of six months in order to align incentives with the interests of the relevant ManCos and the Funds they manage and the investors of such Funds.

Instruments shall generally consist of units or shares of the Funds in respect of which that individual provides services, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments. In certain circumstances, BlackRock considers that the use of BlackRock, Inc. stock may be a more appropriate instrument.

Where long-term incentive awards are granted over BlackRock, Inc. shares, where considered appropriate, such awards may be included in the calculation of variable remuneration in full or partial satisfaction of the obligation to defer at least 40% (or 60%) of variable remuneration, and/or for at least 50% of such deferred variable remuneration to consist of appropriate "instruments".

Deferred remuneration is subject to the firmwide BlackRock Clawback Policy. In addition, deferred remuneration granted to any current or former Identified Staff, including entitlements under carried interest, is subject to the AIFMD UCITS Malus and Clawback Policy.

The ManCos delegate portfolio management activities under delegation agreements to other entities within the BlackRock group who may be subject to remuneration requirements.

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

Severance pay
Severance pay (in addition to any national labour law requirements) is at BlackRock's absolute discretion but will reflect performance and shall not reward failure.

Personal investment strategies
Employees must not use personal hedging strategies or remuneration or liability-related contracts of insurance relating to remuneration which could undermine the risk alignment effects embedded in their remuneration arrangements.

ANNEX A – Country Specifics

Country Annex: United Kingdom

In accordance with guidance from the FCA, in applying the Policy, BlackRock has regard to the ESMA Guidelines on sound remuneration policies under the UCITS Directive and Chapter SYSC 19E of the FCA Handbook ("the UCITS Remuneration Code").

The following provisions apply in relation to BlackRock Fund Managers Ltd ("BFM"):

- the retention period applying to the holding of instruments following vesting shall be a period of 6 months, save that the employee may arrange for a sale of such number of instruments as is sufficient in order to realise funds to enable to employee to cover any liability for income tax or social security (or similar) contributions;
- the threshold above which 60% of total variable remuneration shall be deferred is £500,000; and
- the requirements to defer variable remuneration and for employees to receive payment in instruments shall not apply to such employees as have total remuneration of not more than £500,000, where the variable remuneration consists of no greater than 33% of the total remuneration available.

Country Annex: Germany

BaFin has formally adopted ESMA's Guidelines on sound remuneration policies under the UCITS Directive (ESMA/575/206) applicable in relation to BlackRock Asset Management Deutschland AG.

Country Annex: Luxembourg

The Commission de Surveillance du Secteur Financier (CSSF) has formally adopted ESMA's Guidelines on sound remuneration policies under the UCITS Directive (ESMA/575/206) applicable in relation to BlackRock (Luxembourg) SA.

Country Annex: Ireland

The Central Bank of Ireland (Ireland) has formally adopted ESMA's Guidelines on sound remuneration policies under the UCITS Directive (ESMA/575/206) applicable in relation to BlackRock Asset Management Ireland Limited.