

BAILLIE GIFFORD

Baillie Gifford Worldwide Funds PLC Remuneration Policy

August 2018



1. Introduction and Purpose

The Company has adopted this remuneration policy in order to meet the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the 'UCITS Regulations') in a way and to the extent that is appropriate to the Company's size, internal organisation and the nature, scope and complexity of its activities. This policy is consistent with the ESMA's Guidelines on sound remuneration policies under the UCITS Directive (the "ESMA Remuneration Guidelines").

The purpose of this policy is to describe the remuneration principles and practices within the Company and for such principles and practices:

- (a) to be consistent with, and promote, sound and effective risk management;
- (b) to be in line with the business strategy, objectives, values and interests of the Company;
- (c) not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the Company (each, a 'Fund');
- (d) to provide a framework for remuneration to attract, motivate and retain staff (including directors) to which the policy applies in order to achieve the objectives of the Company; and
- (e) to ensure that any relevant conflicts of interest can be managed appropriately at all times.

2. Application

This policy applies to staff whose professional activities have a material impact on the risk profile of the Company or of the Funds. The Company currently does not have any employees and the only personnel are the Company's board of directors (each a 'Director' and collectively the 'Board'). All members of the Board are non-executive Directors. This policy applies to the Directors who receive remuneration from the Company – namely, those Directors who are not also employed by the Investment Manager of the Funds (the 'Independent Directors') and the Baillie Gifford Directors who receive remuneration from the Baillie Gifford group (the 'Baillie Gifford Directors'). The Baillie Gifford Directors are also covered by the Baillie Gifford remuneration policy and information on the policy is available on the Baillie Gifford website (www.bailliegifford.com).

3. Governance

In view of the non-complex nature of the Company's internal structure and its activities, it is not considered appropriate for the Company to establish a remuneration committee. In particular, the Company has taken account of the following circumstances prevailing as of the date of this document:

- the Company has no employees;
- the Company is not listed;
- the Company does not manage any listed Funds;
- the Company is self-managed and does not act as an alternative investment fund manager under Directive 2011/61/EU ('AIFMD') or provide the services mentioned under Article 6(3) of the UCITS Directive.

The Board is responsible for the remuneration policy of the Company. The Board has adopted this policy and periodically reviews (at least annually) the general principles of this policy and is responsible for, and oversees, its implementation in line with the UCITS Regulations. The Board considers that its members have appropriate expertise in risk management and remuneration to perform this review. Where a periodic review reveals that the remuneration system does not operate as intended or prescribed, the Board shall ensure that a timely remedial plan is put in place.

4. Alignment of Remuneration and Risk-taking

4.1 (a) Fixed Salary

The Independent Directors receive a fixed annual fee which is competitive and based on their powers, tasks, expertise and responsibilities including, without limitation:

- (a) designated person functions; and
- (b) performing the role of the ‘organisational effectiveness’ director as required by the Central Bank, where applicable.

The Baillie Gifford Directors are remunerated in accordance with the Baillie Gifford remuneration policy and information on the policy is available on the Baillie Gifford website (www.bailliegifford.com).

A Director’s performance is subject to annual review by the Board.

(b) Variable Salary

The Independent Directors receive fixed remuneration only. It is not considered appropriate that the Directors receive variable remuneration from the Company. The following pay-out process rules in the UCITS Regulations applicable to variable remuneration do not apply to the remuneration paid to the Independent Directors:

- variable remuneration in instruments;
- retention;
- deferral;
- ex post incorporation of risk for variable remuneration.

Following assessment by the Company of each of the pay-out process rules and taking account of Company’s specific circumstances, this approach is considered to be appropriate to Company’s size, internal organisation and the nature, scope and complexity of its activities as noted in Section 3.

4.2 Expenses

The Independent Directors will be reimbursed all reasonable, validly incurred, duly authorised and documented business expenses.

4.3 Other Benefits

The Company does not propose to provide benefits to the Directors other than those referred to in this policy.

4.4 Pension

The Directors are not entitled to pension contributions or other benefits from the Company in respect of their role as directors of the Company.

4.5 Notice of termination and severance pay

The maximum notice period in any Director’s letter of engagement shall be determined by the relevant letter of engagement. Subject to the terms of that engagement letter, a fee will continue to be paid during the relevant notice period. No severance payments are made.

4.6 Conflicts of Interest

An Independent Director may undertake external activities with or without compensation and/or inducements that might lead to a conflict of interest with the Company or the Funds provided the conflict of interest is considered and disclosed in accordance with the terms of his letter of appointment.

Any Independent Director is required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements subject this policy.

The Company has also adopted a connected party transaction policy in accordance with the requirements of the Central Bank.

5. Delegation of the Investment Management Function

- The Company has delegated the investment management function to Baillie Gifford Overseas Limited (the ‘Delegate Manager’) and so the Company must ensure that the Delegate Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines.
- Certain companies within the Baillie Gifford group are subject to the remuneration rules under Directive 2010/76/EU (‘CRD III’) and BIPRU and accordingly Baillie Gifford has adopted a remuneration policy which applies to all companies within its group (including the Delegate Manager). A delegate to which CRD III and BIPRU applies (by virtue of the limitation on the scope of its activities), should be regarded as subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines.

6. Deviation from the Policy

The Board may deviate from the above policy. However, in such a case, the relevant payments must comply with the UCITS Regulations and the ESMA Guidelines (to the extent applicable) and in addition, the Board shall approve any such payments made.