

VANGUARD GROUP (IRELAND) LIMITED

(THE “COMPANY”)

REMUNERATION POLICY

1. Introduction

The Company, which is authorised as an “Undertaking for Collective Investment in Transferable Securities” under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “**Regulations**”), is required to establish, implement and maintain a remuneration policy (the “**Remuneration Policy**”) which is in accordance with the requirements of Articles 14a and 14b of the UCITS Directive (as defined below).

This Remuneration Policy is aimed at ensuring that any relevant conflicts of interest can be managed appropriately at all times and sets out practices for those categories of staff, including senior management, risk takers, control functions, and any employees 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 profile of the Company or a Fund (as defined below), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant Fund.

This Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds and the investors in the Funds and includes measures to avoid conflicts of interest.

2. Definitions

The following definitions are deemed to apply for the purposes of this Policy:

“ Board ”	Means the board of directors of the Company.
“ Business Plan ”	Means the business plan of the Company which supports and forms part of the Company’s application for authorisation as a UCITS management company under the Regulations, as may be amended or updated from time to time.
“ ESMA Guidelines ”	Means the ESMA Consultation Paper on Guidelines on sound remuneration policies under the UCITS Directive and the AIFMD (2015/ESMA/1172).
“ Funds ”	Means each of the sub-funds from time to time of: (a) Vanguard Investment Series plc; (b) Vanguard Funds plc; (c) Vanguard Common Contractual Fund; (d) Vanguard Investments Common Contractual Fund; and (e) .Vanguard Investments II Common Contractual Fund. Each of the Funds is a “ Fund ”.
“ Investment Manager ”	Means The Vanguard Group, Inc.
“ Regulations ”	Means the European Communities (Undertakings for

	Collective Investment in Transferable Securities) Regulations 2011, as amended by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.
“Shareholder”	Means Zealous, Inc., the sole shareholder in the Company.
“UCITS”	Means an “Undertaking for Collective Investment in Transferable Securities”.
“UCITS Directive”	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level.

3. **Identified staff**

The UCITS Directive requires the Company to identify the categories of staff whose professional activities have a material impact on the risk profile of the Company.

The Company is controlled and managed by the Board, but does not currently have any staff. Accordingly, the identified staff for the purpose of this Remuneration Policy are the Board.

4. **Variable remuneration**

The directors who are also employees of the Investment Manager or an affiliate of the Investment Manager do not receive any remuneration in respect of their services as directors of the Company.

The other directors receive fixed remuneration in respect of their services which is set at a level determined by Mr Axel Lomholt or Mr James Norris, subject to a maximum aggregate limit set by the Shareholder and which is not performance related. Mr Lomholt and Mr Norris are each an employee of the Investment Manager or an affiliate of the Investment Manager and not in receipt of any remuneration from the Company.

None of the directors are currently in receipt of variable remuneration in respect of their services as directors of the Company. Accordingly, the detailed provisions of Article 14b of the UCITS Directive and the related ESMA Guidelines in relation to variable remuneration are not applicable to the Company. None of the directors are currently in receipt of a pension from the Company.

The Company has determined that the fixed remuneration payable to the directors who are not employees of the Investment Manager or an affiliate of the Investment Manager is: (a) consistent with sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instrument of incorporation of the Funds and; (b) in line with the business strategy, objectives, values and interests of the Company and each Fund and the investors in each Fund. The nature of the directors’ remuneration, being fixed and not including any variable component and being determined by the Board as a whole, ensures that the Company appropriately manages any conflicts of interest in respect of remuneration.

5. **Remuneration committee**

The UCITS Directive requires UCITS management companies that are significant in terms of their size, their internal organisation and the nature, scope and complexity of their activities to establish a remuneration committee. Having considered these criteria, the Company has determined that, on the advice of counsel, given that the Company currently has no staff and that the Company does not have a complex internal organisation, it is not significant in these respects and therefore the Company has not established a remuneration committee.

6. **Delegation and Future Update**

The Board has delegated certain activities, as specified in its Business Plan, in respect of the investment management and risk management of the Company, to the Investment Manager and its affiliates. It is intended that once final guidance is available from ESMA and confirmation is obtained as to whether the remuneration requirements under the UCITS Directive will also apply to delegates, the Company will liaise with the Investment Manager in relation to application of the remuneration requirements under the UCITS Directive to the Investment Manager, and any delegates appointed by the Investment Manager, where necessary.

7. **Annual review**

On an annual basis the Board will review the terms of this Remuneration Policy and assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration as set out in the UCITS Directive. The Remuneration Policy will be updated by the Board as and when required.

8. **Disclosure**

The Company will comply with the remuneration disclosure requirements set out in the UCITS Directive and the Regulations.

A copy of this Policy (as updated from time to time) will be provided on the following website: [<https://global.vanguard.com>]. As such, the website includes a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits. A paper copy of the Policy is also available free of charge from the Company upon request. In accordance with the requirements of the UCITS Directive, the Company's up to date remuneration policy will be summarised in the Prospectus for each Fund.

The total amount of remuneration for each full performance year after the effective date of this Policy, split into fixed and variable remuneration (if any), paid by the Company to the identified staff for the purposes of section 3 of this Policy will be disclosed in the annual report of each of the Funds.

9. **Effective date**

The effective date of this Policy is 18 March 2016.