



Remuneration Code

Mitsui Bussan Commodities Ltd ("MBCL", the "Company") is a UK investment firm regulated and authorized by the Financial Conduct Authority (FCA). It is currently classified by the FCA as a significant IFPRU firm and it is also an exempt IFPRU commodities firm. With respect to FCA rules on remuneration MBCL is considered a Full Scope Investment Firm subject to MiFID and the Capital Requirements Directive. MBCL is therefore subject to the Remuneration Code set out in SYSC 19A and 19F of the FCA Handbook (the "Remuneration Code"). In accordance with SYSC 19A.3.12A, MBCL must explain on its website how it complies with the Remuneration Code. The following statement represents this explanation:

The Company has adopted a remuneration policy to comply with the requirements of the Remuneration Code. This incorporates the following general principles.

- (A) MBCL's remuneration policies, procedures and practices (collectively referred to as the "Remuneration Policy") are intended to be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk of the Company or behaviour which may be detrimental to the interests of clients.
- (B) The Remuneration Policy is designed to promote ethical employee behaviour consistent with the interests of our customers and the business strategy, objectives, values and long-term interests of the Company.
- (C) The Company's total variable remuneration does not limit the Company's ability to strengthen its capital base.
- (D) The structure of an employee's remuneration is aligned to promote effective risk management and encourage employees to operate with integrity and in the best interests of clients.
- (E) Where the Company's financial performance is subdued or negative, total variable remuneration should generally be considerably contracted, taking into account both current remuneration and reductions in payouts of amounts previously earned.

MBCL adopts the remuneration principles proportionality rule. That is, our policies are appropriate for our size, internal organisation and the nature, the scope and the complexity of our activities. As a "proportionality level three" firm, MBCL is permitted to disapply certain principles contained within the Remuneration Code. Where the firm has elected to disapply particular principles, this has been noted in the relevant sections of the Remuneration Policy.

The firm seeks to apply these principles in the determination of the remuneration of all employees. Employee remuneration is made up of fixed components and variable components. Any variable remuneration is calculated by taking into consideration, amongst other matters, the success of the Company during the relevant period, along with the assessment of each individual's performance, conduct team and individual contribution including adherence to the Company's professional standards and conduct including strategic business requirements of the Company in

terms of its need to retain staff.

The Company's policies, procedures and practices are documented in the firm's Remuneration Policy Statement ("RPS"). The latest Remuneration Policy was adopted by the Remuneration Committee (RC) of the Board of MBC on 21st December 2017 and is reviewed at least annually. The Board has delegated its authority with respect to remuneration to the RC. This is documented in the RC's Terms of Reference which has been approved by the Board. The RC has within its remit the delegated ownership of the Company's Remuneration Policies. Any changes to the firm's Remuneration Policies should be approved by the RC and notified to the Board. Any change to the RC's Terms of reference should be approved by the Board.

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