I. Introduction

Triodos Investment Management BV (Triodos IM) is a wholly owned subsidiary company of Triodos Bank NV. Triodos Investment Management manages the Triodos investment funds. These funds offer investors the opportunity to invest directly in sustainable sectors diverging from microfinance, renewable energy, organic farming to cultural institutions, sustainable real estate and companies quoted on the stock exchange with a more than average performance on social and environmental policies and contributing to sustainable developments.

We believe that everyone should have equal rights and the freedom to pursue their personal development and economic interests, while taking responsibility for the consequences of their actions on society and the planet. Triodos exists to help individuals, organizations and businesses to achieve this sometimes difficult balance.

People, planet and profit

Our approach is based on the fundamental belief that economic activity can and should have a positive impact on society, the environment and culture. We value people, planet and profit. We take all three into account in everything we do. We call this sustainable banking. And it explains why we only lend to and invest in organizations that contribute to a more sustainable society.

Our values: a firm foundation

As dedicated to making a positive impact on the world, we have four key values that encapsulate what is important to us, and provide a firm foundation on which to build our business:

Sustainability
We only finance activities that actively benefit society, the environment and/or culture.

Transparency
We strongly believe investors should know where their money goes.

Excellence
We want our products and services to be among the best in our industry.

Entrepreneurship
We are constantly working to develop innovative ways to finance sustainable sectors and the entrepreneurs leading them.

In addition to the broad vision and key values that underpin our business, we have a number of principles that guide and support our day-to-day decision-making. Our business principles apply to everyone who works for Triodos, in any capacity. They serve as a code of conduct, and also set the standard by which internal and external stakeholders can judge us.

Our business principles

We are committed to:
• Promoting sustainable development – considering the social, environmental and financial impact of everything we do.
• Respecting and obeying the law – in every country where we do business.
• Respecting human rights – of individuals, and within different societies and cultures, supporting the aims of the United Nation’s Universal Declaration of Human Rights.
• Respecting the environment – doing all we can to create and encourage positive environmental impacts.
• Being accountable – to all our stakeholders for all our actions.
• Continuous improvement – always looking for better ways of doing things in every area of our business.

Triodos Investment Management is a licensed alternative investment fund manager under the Dutch Act on financial supervision (Wet op het Financieel Toezicht - Wft). The Wft contains provisions for sound operations and the duty to act in the best interest of the participants. These provisions are implemented in this fund governance code. Together with our business principles, this fund governance code describes which principles we take into account in managing our funds.

This fund governance code is based on the Principles of Fund Governance which are drafted and published by the Dutch Fund and Asset Management Association (DUFAS). Triodos Investment Management is a member of DUFAS. On October 15, 2014 the DUFAS Code Asset Managers (Vermogensbeheerders) was published. The Principles of Fund Governance are elaborations of the more general principles in the Code Asset Managers.

Triodos Investment Management publishes these Principles of Fund Governance and the DUFAS Code Asset Managers on its website.
II. General fund governance principles at Triodos Investment Management

1. Periodic review, reporting and oversight

Although the obligation to have fund governance principles from a regulatory perspective only applies for investment funds that are within the scope of the Dutch supervisory regulation, where appropriate Triodos Investment Management applies these principles to all funds.

Each Dutch based fund has a supervisory body. One of the tasks of the supervisory body is to supervise compliance with the external and internal rules, including compliance with these fund governance principles. The supervisory body acts as ‘oversight entity’ with regard to these principles. In this capacity the supervisory body checks, inter alia, whether Triodos Investment Management fulfils its duty to act in the interest of the investors in its funds.

The compliance function will carry out periodic reviews on the application of the fund governance principles in the business operations. These reviews focus on all identified governance issues as described below. The outcome of these reviews is reported to the Group Compliance Officer and the supervisory bodies of the funds. The compliance function has access to all relevant information.

2. Compliance function

The compliance function within Triodos Investment Management acts independently from operative functions, is equipped with adequate resources, has access to all relevant information and reports regularly to the managing directors and the Triodos Group Compliance Officer.

3. Managing conflict of interest

Triodos Investment Management is committed to operate its fund management activities in a fair and reasonable manner. This means that paramount attention is given to manage (potential) conflicts of interest. If conflicts of interest nevertheless occur, Triodos Investment Management will deal with these situations in accordance with its legal duty to act in the best interest of the investor.

4. Segregation of duties

As far as appropriate, segmentation between investment decisions, settlement of transactions, administration of transactions and control is in place to prevent (potential) conflicts of interests as described above. Triodos Investment Management has installed “Chinese walls” in order to manage the flow of price-sensitive information and other confidential market information. There is an organizational, physical and personnel segregation between the business units to the extent that this is reasonably necessary and relative to their activities. This means that appropriate information-sharing barriers are in place to prevent dissemination of sensitive market information. No price-sensitive or confidential market information is exchanged between businesses units other than is required to effectively carry out their work.

5. Fair and reasonable application of principles

When dealing with (potential) conflicts of interest, Triodos Investment Management shall apply the specific principles as defined in the Triodos Investment Management conflict of interest policy and in this code of conduct. In situations that may not be covered by these principles, Triodos Investment Management shall seek to apply best practices to the extent available.

6. The principle of ‘conscientious consideration’

Triodos Investment Management shall in all cases when solving conflicts, act in the interest of the investor and have due regard for the interest of the investor. In this process all relevant facts and circumstances will be considered. This process will take place within the board of Triodos Investment Management. Any conflict of interest within the board of Triodos Investment Management will be dealt with in the supervisory board of the relevant fund.

III. Principles regarding day-to-day operations

7. Third party relations

Triodos Investment Management ensures that, when relevant, the selection of counterparties for trade execution will take place according to defined procedures and criteria, taking into account execution capability and quality of research.

8. Asset valuation roles and responsibilities

The approval of the valuation of assets and the calculation of Net Asset Values (NAV) is performed independently from the portfolio management function.

9. Fund unit trading

Triodos Investment Management has procedures in place to prevent late trading in units of its funds, i.e. it does not accept orders of clients after the determined cut-off time. In order to protect the fund from the potential negative impact of market timing transactions, Triodos Investment Management has taken several measures, such as calculating NAV after the cut-off time (forward pricing).

10. Shareholders rights

Triodos Investment Management and the funds act, when relevant, as an engaged shareholder and therefore make use of their voting rights. The Triodos voting policy can be found on www.triodos.com.
11. Transparency
Triodos Investment Management strives for an open and transparent relationship with the investors by providing relevant, clear and understandable information in compliance with the applicable laws, regulations and fund's conditions. The available fund documentation (e.g. prospectus, semi and annual reports, key investor information document) and the website contain just, timely and fair information on at least:
• investment policy
• investments
• risks
• costs
• management fees
• affiliated parties
• outsourcing

12. Change in the conditions of a fund
During the lifetime of an investor's investment, the conditions of a fund may change. In that case Triodos Investment Management will suitably inform the investors in good time in accordance with the applicable laws, regulations and fund's conditions. Triodos Investment Management strives to ensure that such information is easily accessible, clear and understandable for all investors. If the proposed changes have a negative impact on conditions for the investor (e.g. a rise in fees), or when changes in the investment policy of a fund are proposed, the investor in an open-ended fund always has the legal right to divest on the then prevailing conditions within a given reasonable period before the proposed changes are effected.

13. Best execution
In implementing and executing investment decisions, Triodos Investment Management shall as a general rule take reasonable steps to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration. Transactions with related parties will be executed at arm's length terms customary in the market.

14. Fair allocation
Triodos Investment Management may, when relevant, generally execute transactions on an aggregated basis to obtain more favourable commission rates or other transaction costs than if such orders are placed individually. When aggregating orders, the relevant portfolios shall be treated fairly and systematically.

15. Transaction fees and soft commissions
Where applicable, transaction fees only cover those services that directly benefit the fund or the collective of the funds which are managed by Triodos Investment Management. Triodos Investment Management does not have soft commission arrangements.

16. Securities lending
Triodos Investment Management does not make use of securities lending.

17. Personal interest and remuneration policy
Triodos staff often participates in Triodos funds and securities. Such personal investments are considered to be very positive as they are an expression of a co-worker's involvement with the mission of Triodos. It goes without saying that, when investing for their own personal account, co-workers should never be motivated by speculative, dishonest of even fraudulent objectives. The key is personal integrity, transparency and individual responsibility. The Regulations on Personal Investments by Triodos co-workers apply when investing.

Our salary system is based on the conviction that results are dependent on the combined effort of everyone who works at Triodos. Partly against that background, we do not operate a system of variable remuneration. This helps to ensure that co-workers' efforts are focused on the long-term interest of Triodos and our investors, rather than on short term individual profit. As a consequence, professionals who join Triodos deliberately opt for our values, principles and objectives. Having said this, we do reward exceptional performances in individual cases. But there is no prior material incentive that would stimulate employees to achieve specific targets. Such exceptional performances can only be determined as 'exceptional' after they have been achieved. No matter how exceptional one's performance and whoever it concerns, rewards of this kind are always limited to a maximum of one monthly salary. If at the end of the year we as a collective have achieved good results, all Triodos employees receive an identical end-of-year token of appreciation. Severance payments should be modest. Triodos complies with any legislation of generally accepted standards in relevant countries. Underperformance is never rewarded. Finally, Triodos restricts the differences in remuneration between the highest and lowest-earned salary. There is no share option scheme at Triodos for co-workers, members of the executive board or members of the supervisory board as a matter of principle.

18. Costs and damages as a result of operational errors
In a human environment operational errors can never be entirely excluded. Errors in the calculations of the net asset value (NAV) of a fund and exceeding a certain ‘tolerance threshold’ shall be compensated by the fund.

19. Shareholder/participant meetings of the funds
Triodos Investment Management (as far as within its power) will endeavour that the beneficial owners of shares or participations in our investment funds participate in shareholder/participants meetings of the funds. Triodos Investment Management will suitably inform the investors of the time and location as well as the agenda of such meeting in accordance with the
In case related companies of Triodos Investment Management or other funds managed by Triodos Investment Management own shares or participations in a fund, they are also entitled to exercise their voting rights. In these cases the identity of the Triodos entity and its voting behaviour shall be disclosed in the shareholders/participants meeting.

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