



Teacher Retirement Investment Company of Texas Ltd.

PERFORMANCE PAY PLAN

Effective October 1, 2024

This Plan is effective only for the Performance Period beginning on October 1, 2024 and ending September 30, 2025. Any Potential Awards for performance in prior Performance Periods can become Earned Awards subject to the terms and conditions stated in the versions of the Plan effective for those Performance Periods.

No modification of this Plan may be given retroactive effect except as required to comply with applicable law, including United States or United Kingdom tax laws and regulations as appropriate.

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Teacher Retirement Investment Company of Texas Ltd.**PERFORMANCE PAY PLAN****1. PERFORMANCE PAY PLAN PURPOSE AND AUTHORIZATION**

The Teacher Retirement Investment Company of Texas Ltd., a company limited by shares (“TRICOT”) is a wholly owned subsidiary of the Teacher Retirement System of Texas (“TRS”) incorporated in the United Kingdom on August 28, 2015. TRICOT has its principal office in London, England. TRS organized TRICOT for the purpose of establishing a representative office in London to provide investment services to TRS relating to investment opportunities in the United Kingdom and Europe, and TRICOT provides such services exclusively to and on behalf of TRS.

To remain competitive in its efforts to attract and retain high caliber employees TRICOT strives to offer a competitive compensation package. Awards of performance pay based on specified performance criteria are an industry standard practice in the private investment sector and in the public sector. By offering both a competitive base salary and performance pay, TRICOT enhances its ability to fulfill its mission to assist TRS in prudently investing and managing the assets held in trust for TRS members and beneficiaries in an actuarially sound system administered in accordance with applicable fiduciary principles. The TRS Board of Trustees (the “TRS Board”) has determined that establishing and expending funds through TRICOT for this Performance Pay Plan (“Plan”) for TRICOT employees is consistent with and in furtherance of the fiduciary duties of the Board in administering the retirement system.

The TRS Board has approved TRICOT’s adoption of the Plan. The TRS Board has adopted resolutions (a) relating to the governance, funding, budgeting, administration, and operations of TRICOT, and (b) designating the TRS Executive Director as the TRS shareholder representative (“Shareholder Representative”) for purposes of administering and interpreting this Plan. A person duly appointed to serve as the TRICOT Managing Director (the “TRICOT Managing Director”) will perform the duties specified in this Plan for the TRICOT Managing Director.

2. PLAN OBJECTIVES AND STRATEGY**2.1 Plan Objectives**

The Plan serves these objectives:

- To attract and retain TRICOT employees who demonstrate outstanding ability;
- To reinforce employees’ strong commitment to the long-term investment performance of the assets for which TRS and TRICOT are responsible; and
- To motivate investment professionals to focus on maximizing real, long-term returns for funds invested and managed by TRS while assuming appropriate levels of risk.

2.2 Plan Strategy

Implementation of the Plan strategy includes:

- Base salaries targeted to be competitive as determined by the TRICOT Managing Director and the Shareholder Representative, with individual base salaries based on an employee’s

experience, education, knowledge, skills, and overall job performance in an Eligible Position.

- Performance pay award opportunities, calculated as a percentage of an employee's base salary, based on performance above pre-determined standards, and earned contingent upon continued employment in an Eligible Position through specified dates subject to deferral as set forth in Section 4.7(b).

3. BASE SALARY ADMINISTRATION

3.1 *Salary Structure*

- (a) Notwithstanding any other law, the Shareholder Representative approves the rates of compensation of all TRICOT employees. The TRICOT Managing Director shall, subject to the approval of the Shareholder Representative, propose in the annual TRICOT budget the base salary rates for TRICOT employees generally based on the salary schedules, position classifications, and salary administration practices that are reasonably comparable to those used for the TRS Investment Management Division employees, taking into account prevailing market conditions in the United Kingdom, which the Shareholder Representative determines are in the best interest of TRICOT and TRS, and which are not in conflict with applicable law, fiduciary duty, or policy.
- (b) The TRICOT Managing Director shall set the initial base salary for each newly hired TRICOT employee within the salary range approved by the Shareholder Representative, considering the employee's experience, education, knowledge and skills; external competitiveness; and internal compensation equity.

3.2 *Salary Adjustments*

- (a) TRICOT employees may receive base salary adjustments (increase or decrease) at the discretion of the TRICOT Managing Director within the base salary range approved by the Shareholder Representative in accordance with the terms of their employment contract, applicable law, and TRICOT policy.
- (b) Notwithstanding Section 3.2(a), all base salary adjustments will be implemented in accordance with the contract of employment and TRICOT salary administration procedures.

4. PERFORMANCE PAY PLAN; PERFORMANCE PERIOD

4.1 *Purpose of the Plan; Effective Date; Performance Period*

- (a) The purpose of the Plan is to provide the opportunity for TRICOT employees to receive performance pay based on specified investment performance criteria and the employee's job performance.
- (b) The Performance Period for this Plan begins on October 1, 2024 and ends September 30, 2025. A potential award for performance in a prior plan's performance period can only become earned and payable subject to the terms and conditions stated in the relevant plan.

4.2 *Participation in the Plan; Proration*

- (a) Subject to Sections 4.2(c) and (d), a TRICOT employee who holds an Eligible Position on the first day of the Performance Period is eligible to participate in the Plan. Secondes, non-TRICOT or contract workers, and other temporary workers are not TRICOT employees and are not eligible to participate in the Plan. An Eligible Position under this

Plan is not automatically an Eligible Position under any successor or superseding performance pay plan or other plan of TRICOT or TRS.

- (b) Within thirty (30) days after the end of the Performance Period, the TRS Chief Organizational Excellence Officer will certify to the Shareholder Representative in writing the master “Participants List” for this Plan, setting forth all relevant information that is required for calculating each Participant’s Potential Award and any proration required under this Section 4.2.
- (c) Notwithstanding Section 4.2(a), an employee who begins employment in an Eligible Position (through new hire, promotion or reassignment) after the beginning of the Performance Period will become a Participant as follows:
 - (i) If an employee begins employment in an Eligible Position after October 1 but on or before January 1, the employee will become a Participant on January 1 and the Participant’s Potential Award will be prorated to 75% of the Potential Award calculated for the entire Performance Period.
 - (ii) If an employee begins employment in an Eligible Position after January 1 but on or before April 1, the employee will become a Participant on April 1 and the Participant’s Potential Award will be prorated to 50% of the Potential Award calculated for the entire Performance Period.
 - (iii) If an employee begins employment in an Eligible Position after April 1 but on or before July 1, the employee will become a Participant on July 1 and the Participant’s Potential Award will be prorated to 25% of the Potential Award calculated for the entire Performance Period.
 - (iv) If an employee begins employment in an Eligible Position after July 1 of the Performance Period, the employee will become a Participant on the first day of the next Performance Period, provided that such employee is employed by TRICOT in an Eligible Position on such date.
- (d) If, during the Performance Period, a Participant moves from one Eligible Position to another Eligible Position (including by transitioning from a full-time to part-time status), the Participant’s Potential Award and performance measurements for the Performance Period will be prorated between the Potential Award calculated for the vacated Eligible Position and the Potential Award calculated for the new Eligible Position as follows:
 - (i) If a Participant moves to a new Eligible Position after October 1 but on or before January 1, the Participant’s Potential Award and performance measurements will be based on the previous Eligible Position for the period October 1 through December 31, and on the new Eligible Position beginning as of January 1.
 - (ii) If a Participant moves to a new Eligible Position after January 1 but on or before April 1, the Participant’s Potential Award and performance measurements will be based on the previous Eligible Position through March 31, and on the new Eligible Position beginning as of April 1.
 - (iii) If a Participant moves to the new Eligible Position after April 1 but on or before July 1, the Participant’s Potential Award and performance measurements will be based on the previous Eligible Position through June 30, and on the new Eligible Position beginning as of July 1.

- (iv) If a Participant moves to a new Eligible Position after July 1 of the Performance Period, the Participant's Potential Award and performance measurements will be based on the previous Eligible Position through September 30.
- (e) If a Participant leaves an Eligible Position during the Performance Period and begins TRICOT employment in a non-Eligible Position, the Participant's Potential Award for the partial Performance Period will be prorated based on the number of complete calendar quarters worked in an Eligible Position during the Performance Period. For the avoidance of doubt, a Participant will not be eligible for performance pay for any quarter during which the Participant was not employed in an Eligible Position for the entire quarter.
- (f) Section 7.6 addresses the proration calculation that applies if a Participant changes employment from TRICOT to TRS or vice versa.
- (g) An employee will cease to be a Participant in the Plan on the earliest to occur of:
 - (i) Except as specifically provided in Section 4.2(e) with respect to continued TRICOT employment or Section 7.6 with respect to changing employment from TRICOT to TRS, or vice versa, without a break in service, the date the employee is no longer employed in an Eligible Position;
 - (ii) The date this Plan terminates.

For purposes of the Plan, the employment termination date is deemed to be the employee's last day worked, not including any leave the employee takes to extend their employment termination date for payroll purposes.

4.3 *Performance Components; Potential Awards*

- (a) Participants' Potential Awards will be based on a combination of investment performance and qualitative performance measurement and rating components.
- (b) The investment performance components comprise two categories: 1) performance measured against pre-determined benchmarks and applicable excess return targets, and 2) performance measured against pre-determined peer groups.
 - (i) The benchmark index category of the investment performance component will determine 50% of the total Potential Award for Eligible Position Titles of Senior Managing Director through Director. The benchmark index category of the investment performance component will determine 30% of the total Potential Award for Eligible Position Titles of Investment Manager through Administrative Assistant.
 - (ii) The peer group category of the investment performance component will determine 30% of the total Potential Award.
- (c) Notwithstanding that the Performance Period is October 1 through September 30, due to the delay in availability of final performance data for private markets assets performance measurements for these Investment Areas will experience a one quarter time lag, such that all calculations requiring private markets performance will use data for the one and three year periods ending each June 30.
- (d) Each Eligible Position will be assigned specific weightings for Total Fund and other investment benchmarks based on investment area performance as shown in Addendums A and B. Addendum A correlates benchmarks and excess return targets to Investment Areas

listed in the first column, and allocates performance weights for each area to the relevant excess return targets and benchmarks. Addendum B correlates Investment Areas in the first column to peer group performance and relevant benchmarks and allocates performance weights among the excess return targets relative to the listed benchmarks.

- (i) To encourage a focus on the “big picture” and a sense of shared mission, the investment performance component (both benchmark and peer group categories) for all Eligible Positions will have a Total Fund weighting of at least 20%. Weightings for each investment area’s benchmarks and excess return targets will be divided among the Eligible Position’s primary investment area and other investment areas with which the Eligible Position has regular interaction.
 - (ii) Where no investment area peer group performance measures are available, that investment area’s peer group performance weighting allocation is added to the Total Fund peer group performance weighting allocation.
- (e) The qualitative performance rating component will be measured systematically as part of each Participant’s annual performance appraisal process aimed at evaluating each Participant’s job performance and adherence to the core concepts and values of the TRICOT culture and interactions with TRS IMD personnel in performing TRICOT’S services, using pre-determined, standard criteria. This may include multi-rater feedback regarding a variety of contributions and behaviors needed for organizational success that are not directly measured or measurable in the investment performance component, such as interpersonal relationship skills, accountability, effective teamwork, etc.
- (i) Regardless of a Participant’s qualitative performance rating, a Potential Award will include the qualitative performance component only if the Participant has attained at least the required threshold level for the investment performance component (determined separately for each Eligible Position if a Participant changes Eligible Positions within TRICOT during the Performance Period).
 - (ii) To encourage appropriate organizational behaviors, the qualitative performance rating component will be weighted at 20% of the Potential Award for Eligible Position Titles of Senior Managing Director through Director and weighted at 40% of the Potential Award for Eligible Position Titles of Investment Manager through Administrative Assistant.
- (f) A Potential Award is the gross award amount calculated based on the final performance results for the Performance Period, weighted as set forth in Addendums A and B. The Maximum Potential Award that can become an Earned Award with respect to the Performance Period may not exceed the percentage of a Participant’s Base Salary in an Eligible Position (subject to proration under Section 4.2) that is listed opposite the applicable Eligible Position Title in the table below. The Maximum Potential Award limits a Participant’s maximum Earned Award regardless of (x) the amount by which a Participant’s performance has exceeded the excess return targets or (y) the calculated value of the Potential Award.

ELIGIBLE POSITION TITLE	MAXIMUM POTENTIAL AWARD
Senior Managing Director	175%
Managing Director	175%
Director	150%

ELIGIBLE POSITION TITLE	MAXIMUM POTENTIAL AWARD
Investment Manager	100%
Senior Associate	75%
Associate	65%
Senior Analyst	40%
Analyst	30%
Junior Analyst	15%
Administrative Assistants	5%

- (g) For each Investment Area, the portfolio weighting and excess return relative to each assigned excess return target will combine to determine the Potential Award for each Eligible Position.
- (i) The Potential Award includes a threshold, a maximum, and intermediate levels of Potential Award that correspond to specific levels of investment performance.
 - (ii) Intermediate levels of the Potential Award for investment performance are determined by linearly interpolating between the threshold and maximum.
 - (iii) For the qualitative performance rating component, intermediate levels of the Potential Award will be based on a system of annual performance evaluation approved by the Shareholder Representative.

4.4 *Compliance with TRICOT and TRS Policies*

- (a) TRICOT is a TRS asset. In providing services to TRS on behalf of TRICOT, employees exercise fiduciary responsibilities under applicable law and policies. By accepting TRICOT employment investment professionals agree to give advice about the TRS portfolio according to and in compliance with applicable TRICOT and TRS policies, advise and inform the IMD, the Shareholder Representative, and the TRS Board about TRICOT's services relating to investment management and performance of TRS investments, and recommend modifications to the TRS Board's investment policies. All TRICOT employees are responsible for complying with TRICOT and TRS policies in accordance with their employment contracts.
- (b) The Shareholder Representative on behalf of the TRS Board, acting as the sole TRICOT shareholder, has the authority to conduct an investigation of any potential violation of TRICOT or TRS policies or applicable laws. The Shareholder Representative may suspend earning and payment of Potential Awards and Earned Awards (including deferred payments) until the conclusion of an investigation under this Section 4.4.
- (c) Excess performance by a Participant or Participants resulting from a failure to manage TRS pension assets prudently and in compliance with investment and ethics policies and applicable law will result in disqualification of the Participant or Participants and forfeiture of any award for the Performance Period. The Shareholder Representative will make this determination in his sole discretion on a case-by-case basis. The Shareholder Representative's determination under this subsection is final and non-appealable.
- (d) If the Shareholder Representative determines after investigation that a Participant violated TRICOT or TRS policy or applicable law and that such violation is sufficiently serious, the Participant will either (i) be disqualified and forfeit all Potential Awards and Earned

Awards for the Performance Periods in which the violation(s) occurred, including awards and payments deferred under Section 4.7(b), or (ii) such Potential Awards and Earned Awards will be reduced by a percentage or amount determined by the Shareholder Representative in his or her sole discretion. If the Shareholder Representative determines that no serious violation has occurred, a suspended Earned Award shall be paid to the Participant within 30 days after such determination (or such later date on which the award would have been payable absent the suspension), provided that the Participant has been continuously employed in an Eligible Position through such payment date or, if later, the relevant January 1. The Shareholder Representative's determination under this subsection is final and non-appealable.

4.5 *Performance Standards and Measurements*

- (a) Each one-year performance measurement period begins October 1 and ends September 30. For the purposes of this Plan, investment performance allocated or credited to TRICOT by TRS in its sole discretion (for both benchmarks and peer group categories) is based on one- and three-year historical performance data, weighted at 33% for one-year performance (i.e., the performance measurement period ended as of the most recent September 30) and 67% for the historical three-year performance that includes the three performance measurement periods ended as of the most recent September 30. Investment performance is measured against the relevant pre-defined benchmarks in the asset allocation and benchmarks table, including applicable footnotes, in the TRS Board's Investment Policy Statement ("IPS"). For the purposes of this Plan, changes to the IPS benchmarks during the Performance Period will be effective from and after the effective date of such changes in the IPS, subject to revisions to the Plan adopted by TRICOT and approved by the TRS Board. In no event may performance allocated or credited to TRICOT or benchmark changes relevant to TRICOT be applied retroactively except as required to comply with applicable law, including United States and United Kingdom tax laws and regulations as appropriate.
- (b) For purposes of calculating the one- and three-year historical performance data under Section 4.5(a), the investment performance of any new portfolio allocated by TRS in whole or part to TRICOT will be calculated for purposes of the Plan using performance measurement periods beginning October 1 and ending September 30 as follows:
 - (i) The investment performance measurement of any new portfolio (for both benchmark and peer group categories) created during a performance measurement period will commence only on the next performance measurement period following October 1.
 - (ii) For a new portfolio's first full performance measurement period, the investment performance measurement will be based 100% on the portfolio's performance data for that performance measurement period.
 - (iii) For a new portfolio's second full performance measurement period, the investment performance measurement will be weighted (x) 50% on the portfolio's performance during the second full performance measurement period, and (y) 50% on the portfolio's two-year performance during the first and second full performance measurement periods.
 - (iv) For all performance measurement periods commencing after the second full performance measurement period, the investment performance of a new portfolio will be weighted (x) 33% on the portfolio's performance measurement during the

one-year performance measurement period just ended, and (y) 67% on the portfolio's three-year performance measurement during the three full performance measurement periods ending on September 30 of the Performance Period.

- (v) For the purposes of this Plan, no investment performance measurement will be calculated for a new portfolio unless it existed on October 1 of the Performance Period.
- (c) Notwithstanding Section 4.5(a), if during the Performance Period, investments managed by an Investment Area are moved to another investment area as a result of an IMD or TRICOT reorganization, then the performance measurements for the Performance Period and each affected Participant's Potential Award will be based on the pre-change criteria and the post-change criteria as follows:
 - (i) If the change described in this Section 4.5(c) is made after October 1 but on or before January 1, the performance measurements and each affected Participant's Potential Award calculation will be based on the pre-change criteria for the period October 1 through December 31, and on the post-change criteria beginning as of January 1.
 - (ii) If the change described in this Section 4.5(c) is made after January 1 but on or before April 1, the performance measurements and each affected Participant's Potential Award calculation will be based on the pre-change criteria through March 31, and on the post- change criteria beginning as of April 1.
 - (iii) If the change described in this Section 4.5(c) is made after April 1 but on or before July 1, the performance measurements and each affected Participant's Potential Award calculation will be based on the pre-change criteria through June 30, and on the post- change criteria beginning as of July 1.
 - (iv) If the change described in this Section 4.5(c) is made after July 1 of the Performance Period, the performance measurements and each affected Participant's Potential Award calculation will be based on the pre-change criteria through September 30.
- (d) The qualitative performance component is measured annually as part of each Participant's annual performance appraisal process using criteria established before the beginning of the Performance Period.

4.6 Potential Award Calculations

- (a) Following the end of the Performance Period, the Shareholder Representative will review the reported performance of each Participant relative to the applicable investment and qualitative performance components.
- (b) Potential Awards are calculated based on the Participant's level of performance achieved in the applicable investment performance and qualitative performance components in the Performance Period.
- (c) Relative performance data and calculations may be reviewed by an external independent source selected by the Shareholder Representative but final calculations must be approved by the Shareholder Representative.

4.7 *Earning Performance Payments*

- (a) Notwithstanding the Shareholder Representative's approval of Potential Award calculations, and except as otherwise provided in this Section 4.7 and Section 7.6, Potential Awards will only become an Earned Award if a Participant is employed by TRICOT on January 1 following the end of the Performance Period during which that employee was a Participant. Payment of Earned Awards will usually be processed with that January's payroll for delivery on or about February 1, but in no event later than February 15 of that calendar year.

The payment dates of Earned Awards for the Performance Period shall be the same for all Participants.

- (b) Notwithstanding Section 4.7(a), no Potential Awards will become Earned Awards following a Performance Period in which the Total Fund experiences a return of zero or less. If this occurs, Potential Awards for that Performance Period that otherwise would have become Earned Awards on the January 1 next following the end of that Performance Period will not become Earned Awards until the January 1 following the next Performance Period in which the Total Fund has a return greater than zero, subject to the requirement that the employee be employed by TRICOT on that January 1. Payment of this Earned Award will usually be processed with that January payroll for payment on or about February 1 but in no event later than February 15 of that calendar year.
- (c) If an employee ceases to be a Participant during the Performance Period due to termination of TRICOT employment for any reason other than involuntary termination of employment due to a Reduction in Force, death, or Disability, a Potential Award for the Performance Period will not become an Earned Award and will not be paid or payable. Potential Awards from earlier Performance Periods that have not yet become Earned Awards (as set forth in Section 4.7(b) above) will not become Earned Awards and will not be paid or payable.
- (d) If an employee ceases to be a Participant during the Performance Period due to involuntary termination of TRICOT employment because of a Reduction in Force, death, or Disability, a Potential Award for the Performance Period will not become an Earned Award and will not be paid or payable. However, notwithstanding Sections 4.7(a) and (b), Potential Awards under plans from previous performance periods beginning October 1 and ending September 30 will immediately become Earned Awards. Payments under this subsection will be made as applicable to the terminated employee, the estate of the deceased employee, the disabled employee, or as otherwise provided by law. These payments will be made as soon as administratively practicable, but not later than 2½ months after the end of the calendar year in which the Reduction in Force, death or Disability occurred.
- (e) A Participant who changes employment from TRICOT to TRS without a break in service pursuant to Section 7.6 (c) or (d) will be treated as employed by TRICOT for purposes of Potential Awards becoming Earned Awards under Section 4.7 under this Plan so long as the Participant remains continuously employed by TRS from the first date of employment with TRS through (i) the applicable January 1 for purposes of Sections 4.7(a) or (b) or (ii) the date of involuntary termination of TRS employment because of a Reduction in Force, death, or disability for purposes of Section 4.7(d).
- (f) If an employee ceases to be a Participant before the end of the Performance Period due to Plan termination, a Potential Award for the Performance Period will not become an Earned Award and will not be paid or payable. In such an event, however, Potential Awards from

previous plans' performance periods that have not yet become Earned Awards can become Earned Awards and be paid under those plans if the TRS Board determines that such payments would be consistent with and in furtherance of the fiduciary duties of the TRS Board in administering the retirement system, and if such payments are not prohibited by applicable law.

5. PLAN AUTHORITY AND RESPONSIBILITY

5.1 Plan Modification, Suspension, and Termination

TRICOT shall have the right in its discretion to modify the Plan or any portion thereof at any time, subject to TRS Board approval. TRICOT shall have the right in its discretion to suspend or terminate the Plan, including payments of awards, entirely or any portion thereof at any time, with approval of the TRS Board; provided, however, that the Plan shall terminate, including payment of awards, if the TRS Board does not approve the expenditure of funds by TRICOT for performance pay under the Plan, or the TRS Plan is terminated. For avoidance of doubt, no modification, amendment, suspension, or reinstatement of this Plan or any performance criteria relating to this Plan may be given retroactive effect except as required to comply with applicable law.

5.2 Plan Administration

The TRS Board has delegated administration under this Plan to the Shareholder Representative. The Shareholder Representative has sole discretion to administer and interpret the Plan in accordance with its terms and conditions. The Shareholder Representative may adopt such procedures and practices as he or she considers advisable to carry out the purposes of the Plan.

5.3 Record Keeping and Reporting

A record of the master "Participants List," including a list of TRICOT employees covered by this Plan and the data forming the basis for all Plan calculations shall be maintained by the TRS Chief Organizational Excellence Officer.

5.4 Compliance with Applicable Law

If the Shareholder Representative or a court having jurisdiction determines that any provision of the Plan violates applicable law, that provision shall not be given effect. The remaining provisions of the Plan shall remain in full force and effect to the maximum extent possible, and any amendments or modifications that are necessary to give effect to the remaining provisions will be deemed to have been made to allow proper administration of the Plan.

6. EMPLOYMENT

Nothing in this Plan or the payment of Earned Awards creates a contract between TRICOT and any TRICOT employee, confers on any TRICOT employee the right to continued employment with TRICOT, or affects in any way the right of TRICOT to terminate the employment of employees, subject to their employment contracts, TRICOT policies, and applicable law.

7. OTHER PLAN PROVISIONS

7.1 Non-transferability of Awards

Potential Awards and Earned Awards under the Plan are non-assignable and non-transferable and are not subject to anticipation, adjustment, alienation, encumbrance, pledge, lien, security interest, garnishment, attachment, or levy of any kind.

7.2 *Plan Does Not Create a Property Interest, Trust, or Entitlement*

- (a) Neither the establishment of the Plan nor the calculation of Potential Awards or Earned Awards shall be deemed to create a property interest, trust or entitlement. The Plan is an unfunded, unsecured liability of TRICOT to make payments in accordance with the provisions of the Plan and applicable law. Any amounts budgeted for performance pay under the Plan are TRICOT assets until properly disbursed in accordance with, this Plan, and applicable law, and no employee or third party shall have any property, security, expectancy, contractual right, lien, security interest, encumbrance, or other interest in any TRICOT assets by reason of the Plan.
- (b) Nothing in the Plan shall be deemed to create or confer any right, interest, expectancy, or title to any specific property of TRICOT or TRS to any Participant, or to any estate, trust, personal representative, heir, family member, or beneficiary of a Participant.

7.3 *Tax and Other Deductions*

All payments under the Plan shall be subject to any deductions at the time of payment (x) for tax and withholding required by law and (y) to the extent permitted by law, for any and all amounts owed by the employee to TRICOT if applicable. Neither TRICOT nor TRS, as TRICOT's sole shareholder, is obligated to advise an employee of the existence of any tax or the tax treatment, reporting requirements, or required withholding in connection with the Plan.

7.4 *Payments Not Eligible for Retirement Purposes*

Any payments made pursuant to the Plan are fringe benefits and are not eligible compensation for pension plan purposes.

7.5 *Grievances*

Except as expressly provided in this Plan, all grievances related to the Plan will be addressed according to the TRICOT Grievance Procedure in the Employee Handbook or any similar or successor policy, as amended from time to time.

7.6 *TRS Seconded; Subsidiary Employee Eligibility*

- (a) Only employees directly hired by TRICOT are eligible for performance pay under this Plan. From time to time, TRS seconded employees in the TRS Investment Management Division to TRICOT to provide services to TRICOT. Seconded employees participate in the TRS Performance Pay Plan as part of their employment with TRS, including during the term of their secondment to TRICOT, and are not eligible for awards under this Plan. TRS provides funding and services to TRICOT under an intercompany agreement and administers this Plan under that agreement.
- (b) The Board has authorized TRICOT's adoption of a separate performance pay plan that, to the extent legally permissible under UK law, is designed and intended to provide eligibility for performance pay awards comparable to that provided to TRS employees under this Plan (taking into account differing compensation rates, but not currency exchange rates), but there is no assurance that the TRICOT Plan will be comparable in all respects. TRS, as one of the services it provides to TRICOT, will administer the TRICOT-adopted plan by and through the TRS Executive Director as the Shareholder Representative on behalf of TRICOT.
- (c) TRS and TRICOT intend that any employee who transfers employment between TRS and TRICOT without a break in service, and who is eligible to participate in the TRS Plan while employed by TRS and in the TRICOT Plan while employed by TRICOT, shall be

eligible for performance pay during the Performance Period in aggregate that the employee would have received had they not changed employers, taking into account any changes to the employee's employment position, but without any adjustments for currency exchange rates. In such event, the Participant's Potential Award and performance measurements for the Performance Period will be prorated between this Plan and the TRS Plan using the same approach as outlined in Section 4.2(d) above.

- (d) If, during the Performance Period, a TRICOT Participant moves without a break in service from an Eligible Position under the this Plan to a position with TRS that is not eligible under the TRS Plan, the Participant's Potential Award for the partial Performance Period under this Plan will be prorated based on the number of complete calendar quarters worked in an Eligible Position during the Performance Period. For the avoidance of doubt, a Participant under this Plan will not be eligible for performance pay for any quarter during which the Participant was not employed in an Eligible Position under either this Plan or the TRS Performance Pay Plan for the entire quarter.

8. DEFINITIONS

Base Salary for use in the Plan is the Participant's annualized monthly salary as of October 1 of the applicable Performance Period (not including longevity or benefit replacement pay), or the annualized monthly salary of new Participants as of the date they first become a Participant, as certified by the TRS Chief Organizational Excellence Officer.

Disability generally means the inability of the employee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

Earned Award means a Potential Award that has become earned and payable because all of the terms, conditions, and requirements of this Plan have been satisfied. An Earned Award may be forfeited for misconduct, or suspended, canceled, or deferred as stated in this Plan. An Earned Award is not property.

Eligible Position means a title listed in Section 4.3(f) and, when the context refers to an Eligible Position with respect to a Participant's performance allocation and Potential Award calculation, the Investment Area or areas to which a Participant is assigned or interacts with during the Performance Period and the relevant excess return targets and portfolio benchmarks in Addendum A. A Participant who is reassigned from one Investment Area to another during the Performance Period also changes Eligible Positions, whether or not the Participant's title changes.

Investment Areas are listed in the first columns of Addendums A and B and correspond to the benchmarks, excess return targets, performance allocations, and peer groups in Addendum A and Addendum B, and which are used to calculate Potential Awards for Participants in Eligible Positions. In this Plan, Investment Areas are synonymous with employee teams or groups.

Maximum Potential Award is defined in Section 4.3(f) and is a limit on the gross Potential Award that can become an Earned Award in an Eligible Position Title with respect to the Performance Period.

Participant is a TRICOT employee in an Eligible Position on October 1 of the Performance Period, or who is first employed in an Eligible Position after the beginning of the Performance Period based on the proration schedules in Section 4.2, as certified by the TRS Chief Organizational Excellence Officer.


Performance Period is the period beginning on October 1 of each year and ending on September 30 of the following year.

Potential Award is defined in Section 4.3(f) and is the amount calculated based on the Participant's performance achieved in the applicable investment performance and qualitative performance components. A Potential Award is contingent and no Earned Award may exceed the Maximum Potential Award, regardless of whether the Participant exceeds the stated excess return target.

Reduction in Force as used in this Plan refers to termination of an employee's TRICOT employment due to elimination of the employee's position caused by a reduction in the number of TRICOT's employees or by a reduction in authorized expenditures under the TRICOT operating budget. Either the Shareholder Representative or the TRICOT Managing Director has discretion to determine whether an employee's termination is due to a Reduction in Force.

SPN means a Strategic Partner Network investment area. TRS has both private markets and public markets SPNs.

Total Fund means the TRS total or overall investment portfolio and includes all pension assets held in trust by TRS and invested to provide retirement, death, and disability benefits administered by the system, including cash and cash equivalents. For avoidance of doubt, for the purposes of the Plan the Total Fund does not include the assets of health plans administered by TRS and held in trust by the TRS Board.

Administrative Policy	Current effective date:	October 1, 2024*
Reviewers: TRS Executive Director (as Shareholder Representative), TRICOT Managing Director, TRS Organizational Excellence, TRS Legal & Compliance	First adoption:	October 1, 2021
Review Cycle: Annual	Next review due:	September 2025
Authorized by: TRS Board of Trustees	Date adopted :	September 19-20, 2024
Approved: By:  20D0BEC43A22435... Brian K. Guthrie,	Approved as of:	October 1, 2024

*This Plan is effective only for the Performance Period beginning on October 1, 2024 and ending September 30, 2025.

ADDENDUM A

**Performance Payout Allocation and Maximum Payout Targets vs.
Passive Benchmark**

	Total Fund	Active Public Markets (1)	Internal Fundamental	External Public Markets	Multi-Asset Strategies Group	Special Opportunities	Private Equity	Real Estate	Energy Natural Resources Infrastructure	Total
Index	Total Fund Policy Composite Index	Daily Weighted Excess Return Based on Actual Portfolio Weights and Investment Policy Statement					State Street Private Equity Index	NCREIF ODCE	40% Cambridge Natural Resources, 40% Cambridge Infrastructure, 20% CPI	
Excess Return Target	75 bps	75 bps	75 bps	75 bps	75 bps	150 bps	125 bps	150 bps	125 bps	
Executive	100%									100%
Risk and Portfolio Management	100%									100%
Internal Fundamental	30%	50%	20%							100%
External Public Markets	30%	50%		20%						100%
Multi-Asset Strategies Group	30%	50%			20%					100%
Special Opportunities	30%	50%				20%				100%
Private Equity	30%						70%			100%
Real Estate	30%							70%		100%
Energy NaturalResources &Infrastructure	30%								70%	100%
Trade Management	60%	40%								100%
Investment Operations	100%									100%
IMD Legal & Compliance	100%									100%

(1) Active Public Markets includes all Global Equity investments, hedge funds, absolute return portfolios, ARP/Innovation portfolios, and Public SPN portfolios managed by Public Markets.

ADDENDUM B**Performance Payout Allocation and Maximum Payout Targets vs. Peer Group Comparison**

Fund Level	Total Fund	Trade Management	Private Equity	Real Estate	Risk Parity Portfolio	Total
Index	TUCS Public Funds >\$10 Billion Universe	Virtu Financial	TUCS Private Equity > \$10 billion Universe	Real Estate vs. TUCS Real Estate > \$10 billion Universe	Risk Parity Benchmark	
Excess Return Target	75 bps	9 bps	175 bps	150 bps	30 bps	
Executive	60%	10%	10%	10%	10%	100%
Risk and Portfolio Management	30%	10%	10%	10%	40%	100%
Public Markets	90%	10%				100%
Private Equity	30%		70%			100%
Real Estate	30%			70%		100%
Energy Natural Resources & Infrastructure	30%		35%	35%		100%
Trade Management	30%	70%				100%
Investment Operations	60%	10%	10%	10%	10%	100%
IMD Legal & Compliance	60%	10%	10%	10%	10%	100%