

Remuneration policy

SEB IM AB (the Fund Company) wishes to encourage and incite good performance and sound behaviour, as well as to endeavour to achieve balanced risk-taking that is aligned with the interests of fund unitholders.

The Fund Company has a long-term vision regarding the employment conditions of its staff. Total remuneration shall contribute to developing the Fund Company's competitiveness and profitability through the Company being able to attract, retain, motivate and reward competent and skilful employees. In order to achieve this objective, the Fund Company's board of directors has adopted a remuneration policy based on Swedish and international regulations. The purpose of the remuneration policy is to ensure that the Fund Company has a remuneration system that is adapted to the fund unitholders' long-term interests and the Fund Company's strategy and values.

The remuneration policy is based on the remuneration model that is applied at Group level, and is built on SEB's values. The Fund Company's remuneration policy is reviewed at least annually. The Fund Company's current remuneration policy is based on a risk analysis that has been prepared by the Fund Company's risk control department.

The Fund Company's remuneration structure is based on three components:

- Fixed remuneration (basic salary)
- Variable remuneration
- Pensions and other benefits

The remuneration components are used to achieve a competitive individual level of remuneration with an appropriate balance between fixed and variable remuneration.

The fixed remuneration component is individually adapted further to predetermined internal and external appraisals. The level of the fixed remuneration is based on the employee's experience, long-term performance and behaviour.

All employees at the Fund Company are embraced by SEB's collective profit sharing model that has a predetermined maximum outcome. The remuneration is established based on SEB's earnings and customer satisfaction.

Remuneration to employees in control departments (internal audit, risk control, and observance of regulations) is established by the board of directors further to proposals from the Fund Company's remuneration committee. Remuneration shall be based on objective grounds related to the employee's role and tasks, and be independent of the business unit that the control department scrutinises.

Employees in departments that have a monitoring function, such as internal auditing, risk control or compliance, are not to receive any other variable remuneration over and above SEB's profit sharing.

The Fund Company applies the grandfather principle to all remuneration, which means all decisions are to be approved by, at the least, the manager for the manager of the employee concerned.

Variable remuneration

The Fund Company uses variable remuneration in order to develop and reward performance and behaviour that create both short-term and long-term value for the fund unitholders and the Fund Company. Variable remuneration is an important aspect of designing a flexible remuneration system. Variable remuneration is composed of both cash and shares in investment funds or financial instruments which achieve the equivalent common interests as shares in the relevant investment funds.

The principles for variable remuneration adopted by the Fund Company are established with the objective of reflecting the Fund Company's low risk tolerance and being compatible with the Fund's

prevailing risk profiles, fund rules, discretionary mandates, as well as internal and external regulations. The variable remuneration shall be based on the employee's performance and behaviour from a several-year perspective, as well as the performance and economic results of the employee's team, the Fund Company and SEB as a whole.

At the same time as obtaining a sound balance between fixed and variable remuneration, the payment of variable remuneration shall be related to the Fund Company's risk policy and creation of value for the fund unitholders. This implies that certain maximum levels and deferment of payment shall apply to different personnel categories. For employees in positions that have a significant influence on the Fund Company's or the managed funds' risk profile, the maximum variable remuneration may not exceed 100 percent of the fixed remuneration. The variable remuneration is to be deferred by 40 to 60 percent for a minimum of three years. At least 50 percent of the variable remuneration is to consist of shares in investment funds or instruments which achieve the same common interests as shares in the relevant securities funds. Variable remuneration in the form of fund shares will be subject to retention policy for at least one year. This retention policy applies to variable compensation whether or not it is deferred.

The Fund Company also applies a special remuneration model for certain employees who manage funds and discretionary mandates. The remuneration model for these persons is based on a structure with distinct rules for maximum outcome of remuneration, deferment of remuneration as well as rules regarding downward adjustment/reduction of remuneration.

Payment of deferred remuneration shall only be made if such is motivated based on the Fund Company's economic situation and the performance of the Fund Company, the relevant division and the employee.

Reduction or downward adjustment of deferred variable remuneration shall apply should losses, increased risks and costs arise during the deferment period, which includes for example taking into consideration the employee's observance of external and internal regulations. Reduction or downward adjustment shall also take place should payment be deemed unwarrantable in view of the Fund Company's financial situation.

The variable remuneration system shall be continuously reviewed in order to ensure that it does not create any unsuitable behaviour and contribute to excessive risk-taking.

The remuneration committee

The Fund Company has appointed a remuneration committee with the task of independently appraising the remuneration policy. The remuneration committee shall be responsible for preparing decisions regarding remuneration that are to be adopted by the board of directors, and intervene if a decision could imply consequences for the Fund Company's risks and risk management. The remuneration committee is an independent body composed of the board of directors' independent members.

Follow up

The CEO, the deputy CEO and the board of directors shall ensure that the remuneration policy is operationally applied. The remuneration policy shall be reviewed annually by the internal audit department or by an independent auditing firm. In order to ensure that the Fund Company's remuneration system is applied in accordance with the remuneration policy, the remuneration system and the payment of remuneration shall be reviewed annually by internal or external auditors.