



Remuneration Policy

applicable on remuneration accrued during 2023

adopted by the Board of Directors
of SEB Investment Management AB
on 21 February 2023

Remuneration Policy

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1. Introduction

The purpose of SEB Investment Management AB's ("IM AB") is to positively shape the future with responsibly advice and Capital. Today and for generations to come. To drive and support the achievement of this purpose, it is of vital importance that IM AB is able to attract, retain, develop and reward the right talents. The Remuneration Policy (the "Policy") of IM AB provides a framework for rewarding sustainable long-term value creation in line with the fund investors' interest.

The Policy shall secure that remuneration is in line with the business strategy, objectives, purpose and long-term interest of the fund investors, the funds managed and IM AB and that it incorporates measures to avoid conflict of interests. The Policy shall promote sound and effective risk management as well as desired performance, conduct and behaviour. Further, the Policy shall prevent the risk that the remuneration models drive excessive risk taking or conflict of interest detriment of the best interest of the fund investor's as well as risk-taking that is not aligned with the managed fund's risk profile and the fund rules/prospectuses.

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The Policy and its implementation may not prevent IM AB to meet its obligations to act in the best interest of the funds' investors.

The Policy shall also secure both the implementation of appropriate internal and external remuneration governance structures as well as the implementation of external requirements and aiming at promoting financial stability, customer protection and avoiding conflict of interests.

The Policy is annually adopted by IM AB's Board of Directors ("Board") after a review and evaluation by the Human Resources Function. The review takes into account, inter alia, the annual Risk assessment of the Policy which is performed by the Risk Function and Compliance Function. The assessment addresses (i) the risk IM AB is or may be exposed to with regards to remuneration including the Policy and IM AB's remuneration models, (ii) the identification of categories of staff whose professional activities have material impact on IM AB's risk profile and (iii) the risk mitigation management that IM AB applies to achieve a sound risk governance of any inherent risk attributable to remuneration.

This Policy is based upon the principles decided in the Remuneration Policy for the SEB Group which shall also be seen as a complement and guidance in any topics not specifically mentioned in this Policy.

2. Remuneration decision making and the grandparent principle

The decision making of individual remuneration setting mainly resides with each employee's manager, but shall always adhere to all applicable internal and external requirements, including, inter alia, remuneration and employment laws, collective bargaining agreements and this Policy. Each manager carries the responsibility for his/her adherence and compliance.

In SEB, the grandparent principle is applied on all remuneration and employment decisions, which means that all decisions are to be approved at least by the concerned employee's manager's manager.

The Compensation & Benefits ("C&B") function of SEB AB's advice and support shall be utilised as appropriate in terms of challenging questions, i.e. when the decision might be of complex character or if the application of a specific decision might have implication on other employees and/or managers. This could e.g. be the case when allotting variable remuneration or providing specific benefits, treatment at promotions or when the terms for new employees or termination of employments shall be decided.

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The same principle applies in terms of providing internal and external remuneration benchmarks. Only benchmarks conducted and/or quality assured by the C&B function may be used as a basis for remuneration decision within SEB.

Some decisions are, due to the complexity, size of the remuneration or its long-term effect to be referred to RemCo, the President, members of Group Executive Committee (“GEC”) of SEB AB, in so far as they relate to structures or questions that are common for the SEB Group, or the management team of IM AB. Final decision should always be taken within IM AB. Each remuneration setting manager and grandparent manager is responsible to assess the complexity of the decision and the need to receive an approval higher up in the organisation than specifically outlined in this Policy. The manager is also responsible to adhere to any specific instructions issued separately. The C&B function shall provide support on questions in this respect.

3. Performance culture, value creation and risk management

SEB and IM AB believe in and promote a sound and dynamic performance culture linked to sustainable value creation and integrated risk management as a means for achieving long-term success and encourage performance and the right behaviours.

SEB Group’s behaviours, which also are prevailing in IM AB, serve as a compass both internally and when interacting with customers and society. They form a natural part of the organization and provide guidance in all situations. The SEB behaviours are;

- Create value
- Act long-term
- Build positive relationships

A cornerstone in the performance culture is the performance management process with transparent and aligned target setting, evaluation and rewards.

A sound and strong performance culture relies upon the commitment and competence of its leaders. In IM AB, all leaders are responsible for managing their talent pool in the best way by attracting, retaining, developing and rewarding talents. In combination with strong leadership and clear performance expectations and evaluation, remuneration is a valuable tool for achieving this.

SEB’s high standards on sound risk management are vital to ensure long-term value creation. Risk management forms an integral part of the business of SEB and IM AB. Individual performance shall reflect the employee’s adherence to rules and policies

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for risk taking in IM AB and the SEB Group, including sustainability risks, the Code of Conduct as well as the requirements on IM AB's establishment on internal controls.

4. Pay for sustainable performance and handling conflicts of interest

Pay for performance and sustainable value creation through market competitive and differentiated remuneration is an important means for long-term success in a performance culture. This includes the integration of sustainability risk in the setting of remuneration models.

Remuneration shall be competitive taking business logic and market practice into account. On individual level the required experience, needed competence and leadership skills as well as the long-term performance and value creation of the employee is to be taken into consideration. It shall also be structured in a way that it is aligned with the long-term value development and investment horizon of the funds managed.

The gender pay gap is a societal issue which needs to be addressed in a structured and consistent way and on ongoing basis. SEB's remuneration structure, processes and reviews shall support equal opportunities and secure non-bias, fair and transparent remuneration decision making that caters for the closing of any unjustifiable gender pay gaps.

Excellent business performance shall be established by combining individual performance and balanced risk-taking. Remuneration shall be built to encourage both immediate results as well as long-term strategic decisions needed to ensure a sustainable business performance over time. It shall reflect sound risk management by taking into account both the adherence to investment restrictions within each fund and discretionary mandate as well as the cost of capital employed and liquidity required for IM AB. Total remuneration paid for a specific period shall not jeopardize the ability for IM AB to account for a positive result on an aggregated level during a business cycle and shall not impact negatively on the IM AB's sound capital base.

Remuneration may not be structured or allocated in a way that the individual allotment levels are dependent on e.g. which

- products are offered,
- specific investments are made,
- service providers are chosen

or any other measures and relationships that would benefit IM AB and/or an employee in conflict with the best interest of the fund managed and the fund's investors. Any breaches of SEB's ord IM AB's internal rules for handling conflicts of

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interest shall have adverse impact on the employee's total remuneration level. The effectiveness of the mitigating measures and its impact on remuneration shall be evaluated regularly.

IM AB regularly evaluates the competitiveness of the remuneration through external benchmarks, conducted with regard to total remuneration, including pension and other benefits.

5. Identification of certain categories of staff (Identified Staff)

Certain categories of staff are of specific interest as regards remuneration systems and needs to be identified.

5.1 Identified staff

To secure the financial stability of IM AB, staff whose professional activities have a material impact on IM AB's risk profile ("Identified staff") shall be treated according to special requirements in order to prevent the risk of excessive risk-taking that may adversely affect IM AB's financial position.

To secure a proper handling of conflicts of interest and to ensure that SEB's remuneration structures does not prejudice certain categories of staff's ability to act in the best interest of SEB's customers, specific considerations on the remuneration models for such staff needs to be made. This specifically applies to staff engaged in asset management business governed by Directive on Undertakings for Collective Investments in Transferable Securities ("UCITS V") and Alternative Investment Fund Manager Directive ("AIFMD").

The detailed identification criteria of staff whose professional activities have a material impact on IM AB's risk profile according to UCITS V and AIFMD is outlined in section 5.2 below.

5.2 Categories of staff whose professional activities have a material impact on IM AB's risk profile

1. The CEO and deputy CEO of IM AB
2. Senior management

All managers in strategic positions shall, for the purpose of the Remuneration Policy, be considered as senior management. This normally includes the members of the management teams IMWC and IMF. These employees shall be individually assessed and may be

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exempted in the case a specific position have an insignificant impact on the risk profile of IM AB.

Members of the management teams IMMT (Investment Management Management Team) in IM AB are Senior Management.

3. Responsible persons within control functions

Responsible persons within control functions are Head of IM AB Risk Control, Head of IM AB Compliance, and Head of Internal Audit IM AB (outsourced to SEB).

4. Heads of Legal departments and Human Resources

Identified staff within support functions are Head of IM AB Legal and Head of IM AB Human Resources (outsourced to SEB).

5. Risk takers

Risk takers are staff members, as well as managers of staff members, whose professional activities, either individually or collectively, have a significant impact on the risk profile of IM AB by entering into contracts and/or positions as well as taking decisions that materially effect the risk positions of IM AB or an alternative investment fund or a UCITS fund managed by IM AB.

Portfolio managers categorized as 3 or 4 are regarded as being risktakers as their professional activities may materially affect the risk profile of IM AB. Furthermore, the CEO, deputy CEO, Asset Class Heads, Head of SEB Fund Products, Head of Fund Accounting and Head of Business Development may also through their professional activities materially affect the risk profile of IM AB.

6. Members of New Product Approval Committees

Members of the Asset Management NPAC

7. Employees within the same remuneration bracket as the CEO or Deputy CEO or members of the management team.

Employees having a total compensation at the same level as the CEO or Deputy CEO or members of the management team.

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Special condition will apply for employees who's total remuneration in the preceding financial years was among the 0.3 per cent highest paid in IM AB or if it exceeded EUR 500,000.

6. Remuneration structure

IM AB has designed a remuneration structure based upon three major components:

1. Base pay (including position allowance)
2. Variable remuneration
3. Pensions and other benefits

IM AB adheres to the total remuneration philosophy where each employee's position and sustained performance and value creation shall reflect an appropriate total remuneration package utilizing the above stated components. The package and its components are structured in different ways for different employee categories to create the best balance taking into account the interests of the fund investors.

The components are used to achieve a market competitive total remuneration with a sound balance between i) fixed and variable remuneration and ii) short- and long-term remuneration. The total remuneration shall reflect the complexity, responsibility and leadership skills required in the position as well as the performance of the employee. It shall not be predominantly based on quantitative commercial criteria.

In IM AB, there is a clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration)..

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7 Fixed remuneration

Fixed remuneration is the main remuneration component for the majority of IM AB's employees and the means to remunerate IM AB's employees for what is expected from them based on their position, professional experience and organisational responsibility as set out in the employee's job description and/or employment agreement and is not conditioned by future performance evaluation.

Fixed remuneration consists of base pay, position allowance, as applicable, and individually or collectively agreed predetermined pension and other benefits. The fixed remuneration shall represent a sufficiently high portion to allow the operation of fully flexible variable remuneration models, including the possibility to fully cancel the variable remuneration outcome

Fixed remuneration in IM AB is manifested by e.g. that it is (i) based on predetermined criteria, (ii) non-discretionary and reflecting the level of professional experience and seniority, (iii) transparent, (iv) linked to position or a time limited period in specific cases and (v) not providing an incentive for risk assumption.

7.1 Base pay

Base pay is typically paid as the predetermined monthly salary which is reviewed on an annual basis.

The purpose of base pay is to provide a competitive level of fixed remuneration, founding a base in the market oriented total remuneration needed to attract the talents required. The aim is to set individual base pay within salary spans linked to the requirements on the position and based on both internal and external benchmarks, if available. The employee's experience, sustained performance and behaviours shall reflect the appropriate salary level and development within the span.

The overall market level shall be adapted to reflect geographical location and type of business.

7.2 Position allowance

Position allowance is an integrated part of the total remuneration offered as a supplement to base pay in situations where there is a need for some short- or longterm flexibility of the fixed remuneration structure without immediate performance alignment. IM AB utilizes different kind of allowances for various purposes. Normally, it is linked to the fact that there is a time limitation of the position and/or the project performed by the employee, i.e. the employee is in an

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acting role, assigned a special project or is sent on a temporary foreign assignment. Allowance may also be used to secure internal movement of talents from units with high market salary levels to positions with equal or higher requirements but lower market salary levels.

Allowances are considered as fixed remuneration and are not dependent on future performance other than what is required from the employee according to the relevant job description or as outlined in the employee's employment contract. Allotment of allowance shall be linked to a certain position, project or assignment and be limited to the task performed. As such, an allowance is only specifically time limited if the assignment is time limited, otherwise it is fixed to the period during which the employee is in the agreed position.

Allotment of allowance shall be predetermined, transparent and shall be awarded in a way that it does not incentives risk-taking.

Allowances may differ from the base pay in terms of basis for other benefits such as pension entitlement, vacation allowance and redundancy pay and is typically not part of the annual salary review. The maximum level of allowance in relation to base pay may normally not exceed 50 per cent.

7.3 Benefits

Benefits may be allocated individually or collectively. Individual benefits might e.g. give entitlement to certain categories of benefits due to the employee's position such as company car and parking. Collective benefits might e.g. be pension and insurance benefits and employee wellbeing benefits such as meal subsidies.

Benefits in SEB shall not be linked to individual short-term performance, i.e. be allotted on annual assessment basis, based on previous performance and allotted retroactively unless specifically mentioned in this Policy. Benefits shall be predetermined and allotted based on transparent and position linked criteria unless offered collectively.

8 Variable remuneration

IM AB utilizes both deferred and non-deferred as well as collective and individual variable remuneration models. Variable remuneration is a means to drive and reward performance and behaviours to create short- and long-term value to the fund investors and IM AB. It is also an essential way of adapting a flexible remuneration cost.

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All variable remuneration is based on the SEB Risk Adjusted Performance Measurement (“RAPM”) model derived from SEB’s business steering model, the Business Equity Model, used to distribute equity to the divisions. The model establishes the risk adjusted result, by deducting the cost of equity from the gross result, which sets the foundations for any variable remuneration. The RAPM-model is also used on the IM AB level to establish that the variable remuneration pool does not exceed an appropriate level from a risk management point of view.

IM AB regularly reviews the need to maintain individual performance linked cash models including a cash component.

Individual variable remuneration is allocated based on IM AB’s, the relevant business area’s/business unit’s/team’s and the individual’s sustained and risk-adjusted performance. IM AB’s and the relevant business area’s/business unit’s/team’s performance is measured using specific targets and key indicators defined in the respective relevant business plan. Allotment of individual variable remuneration shall take all current and future risks into account.

Specific targets are set according to an appropriate balance between quantitative and qualitative criteria, including financial- and non-financial criteria and can vary between years. Example on IM AB/Business Area/Business unit level are targets such as financial result in terms of operating cost, operating profit, return on equity and return on business equity or non-financial targets such as customer satisfaction or targets relating to sustainability.

Targets on individual level reflect those on IM AB/Business Area/Business unit level as well as including parameters described in section 8.2. The evaluation of the individual performance should specifically consider adherence to internal rules, requirements relating to risk management and handling of conflict of interest. Failure to meet requirements relating to compliance and sound risk management shall be reflected in the allocation of individual variable remuneration.

Employees are not allowed to use such personal risk hedging strategies or insurances that are aimed at mitigating or eliminating the effects of an adjustment or cancellation of variable remuneration.

8.1 Collective profit sharing

All employees in IM AB participate in the collective profit sharing model of SEB, the All Employee Programme (AEP). The programme has a pre-denominated maximum outcome based on SEB’s absolute and relative performance in terms of financial targets (Return on Equity and total cost level), customer satisfaction (measured as a mix of applicable division based customer satisfaction indexes) and selected

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additional targets taken from the applicable business plan. An employee's substantial misconduct, breach of the loyalty undertaking or SEB's Code of Conduct will lead to non-allocation of the AEP.

50 per cent of the annual outcome is paid out in cash during the year following the accrual year, and the remaining part is deferred in SEB shares (or share linked instruments) for three years. Since sustainable long-term value creation for the fund investors is likely to be aligned with sustainable performance of IM AB and SEB (which IM AB is a consolidated part of), IM AB supports participation the AEP.

The purpose of the AEP is to promote all employees to increase their interest in the long-term development and value creation of SEB and to reward long-term loyalty to SEB.

8.2 Individual variable remuneration

Variable remuneration models in IM AB shall be based on multi-year performance and behaviours of the employee as well as the team/business unit and SEB Group as a whole. Special conditions apply for Identified Staff.

Both position and performance influence the eligibility for, and allocation of, all individual variable remuneration in IM AB. Even so, the models can be divided into the two categories position based and performance based individual variable remuneration.

8.2.1 Individual variable remuneration based on position

For this category, the position shall guide the targeted total remuneration level and the appropriate balance between the base pay and the variable remuneration, i.e. also the targeted and maximum variable remuneration levels. This is set according to guidelines indicating within which allotment frames and target levels the position's allotment is expected to be. Within those frames the employee's performance and the holistic evaluation thereof, will determine the final allotment. Since the position is normally the main allotment factor, the volatility of the allotment levels between the years is expected to be quite limited. The allotment may always be set to zero.

Individual variable remuneration based on position is allocated to senior managers, key employees including employees with critical competencies and identified talents.

Employees in this category receive their allocation of variable remuneration in fund programmes with a minimum of a three year vesting period, i.e. the ownership will

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be transferred to the employees three years after the performance year, followed by a one year mandatory holding period.

8.2.2 Individual variable remuneration based on performance

Whereas the performance on team/business unit and SEB Group as a whole serve as a limitation to the total payout of variable remuneration, the performance in funds and discretionary mandates is the basis for accruing the potential individual variable remuneration for this category. The performance is measured based on the recommended investment horizon of the managed funds. Furthermore, the individual evaluation is also based on a discretionary assessment with the following parameters;

- Investment process
- Quality
- Use of risk budget
- Mindset & Behaviours in PDD, especially:
- Cooperation
- Sales support
- Innovation
- Accrued performance fees.

For a small number of key employees, running funds and discretionary mandates with a performance fee, a fee split model on variable remuneration calculation applies as the foundation for the allotted variable remuneration. For the majority of employees in this category, the payment structure includes a cash component. The payment structure for fee split models and the deferral structure are set out in Appendix 1. For employees in this category that are not eligible for payment structure that includes a cash component, the payment structure is the same as for employees with individual variable remuneration based on position, described above.

The outcome of the variable remuneration shall always be set in the light of the desired total remuneration level for the position as expressed in this Policy. The allocation may always be set to zero.

8.3 Deferred variable remuneration and retention policy

All variable remuneration, except for the AEP, for identified staff shall be partly or fully deferred and invested in the relevant funds managed by IM AB which mirrors the employee's long-term performances in a relevant way. At least 40 per cent of the allotted variable remuneration shall be deferred for at least 4 years. The deferral level and length shall be based on the employee's responsibilities, level of variable remuneration and the recommended investment horizon of the funds

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managed. At least 60 per cent of the variable remuneration is to be deferred if the level of the variable remuneration is deemed very substantial.

In order to align the interest of the Identified staff with the investors, at least 50 per cent of the variable remuneration (both the non-deferred and deferred part) shall either be invested in the funds managed or in instruments reflecting the value development of the funds. The requirement is subject to that remunerating in instruments does not trigger interest misalignment or encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant UCITS.

The deferred variable remuneration may be paid out in pro-rata on an annual basis with the first payment due no earlier than one year from the initial deferral period.

Variable remuneration paid out in instruments shall be subject to a retention period of at least one year. This applies both to non-deferred and deferred remuneration.

For variable remuneration above certain levels for non-identified staff, similar structure of deferral and investment in funds or in instruments reflecting the value development of the funds, is applied for identified staff.

8.4 Balanced variable remuneration strategy

IM AB shall provide a sound balance between fixed and variable remuneration and align the payout horizon with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of staff.

The variable remuneration models are adapted to applicable regulations in terms of maximum ratio in relation to fixed remuneration and with regards to deferral and malus provisions, i.e. reclaim of deferred not yet paid out variable remuneration.

The majority of the employees are covered under the collective AEP with a pre-denominated fixed maximum amount. In Sweden the amount is set at SEK 75,000 for 2022, in other countries at an equal amount in local currency or a fixed maximum amount adapted to local purchasing power.

Individual variable remuneration based on position as set out in section 8.2.1 is capped at a maximum level of 50 per cent of the annual base pay, except for GEC members.

For Identified staff, the maximum level of variable remuneration may not exceed 100 per cent of the fixed remuneration.

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8.5 Guaranteed variable remuneration, buy-out from previous employment contracts and redundancy pay

Guaranteed variable remuneration can take the form of a

- discretionary payment to attract a talent to IM AB (sign-on payment), or
- guaranteed level of variable remuneration for the first year of employment (first year's guarantee).

Guaranteed variable remuneration shall be awarded and paid in line with the remuneration structure and provisions of the applicable unit and position. The first year's guarantee may in certain situations include both the period before and after the employee joined IM AB, but only for the relevant recruitment year. All of the first year's guarantee shall preferably be paid in connection with the regular variable remuneration proceeding for the applicable year. However, in extraordinary cases and subject to approval from the head of division and Head of Group Human Resources an exemption may be applied for the part of the first year's guarantee which refers to the period prior to the employment with IM AB. If the exemption is granted, this part may be paid in connection with the start of the employment, but subject to appropriate retention/repayment requirements, and may also be exempted from the regular variable remuneration requirements in terms of e.g. deferral, which is normally applied on the position the new employee is recruited to.

Buyouts from previous employment contracts are related to compensation or buy-out from contracts in previous employments and may be offered in situations where deferred remuneration is reduced or revoked by the former employer because of the termination of the contract. Such losses shall be verified by statement from the previous employer and the allotment shall be aligned with the long-term interests of IM AB and include the same retention, deferral, performance and malus arrangements as set out for variable remuneration in general, as applicable

Both guaranteed variable remuneration and buyouts from previous employment contracts shall (i) only be used in exceptional cases, (ii) may only be offered to new employees, (iii) be limited to the first performance year of employment, and (iv) can only be offered when IM AB has a sound and strong capital base.

Redundancy payments shall follow the requirements in local labour law and/or collective bargaining agreements as applicable, and shall mirror the employee's performance and employment period and cannot reward failure or misconduct. Any variable remuneration paid in connection to the termination of employment shall reflect to the employee's performance and shall not promote excessive risk-taking.

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8.6 Risk adjustment

IM AB shall have the possibility to withhold part of, or the whole, deferred payment based on risk adjustment and long-term performance, i.e. applying malus conditions.

Any breaches of an individual risk target may affect the deferral based on a discretionary view of the circumstances behind the breach. The payment of deferred variable remuneration may be conditioned by employment with IM AB or with a company in the SEB Group at the time of payment.

Variable remuneration to Identified staff will vest and be paid only if it is sustainable according to the financial situation of IM AB as a whole, do not impact negatively on SEB's sound capital base and justified on the basis of the performance of IM AB, SEB, the Business Unit and the individual concerned. The risk adjustment may include taking into account deferred variable remuneration for other years than basis for adjustment and also accumulated but not yet allotted variable remuneration.

IM AB applies the following criteria for risk adjusting deferred variable remuneration.

SEB Group level

- a. The payment of the aggregated deferred amounts may jeopardise SEB's financial stability
- b. A material restatement of SEB's financial statements occurs
- c. There are significant retroactive changes in SEB's economic or regulatory capital base

IM AB level

- a. IM AB suffers a significant failure of risk management that negatively impacts the financial result
- b. The risks taken prove to be higher and/or the profits turn out to be lower than anticipated the year when the variable remuneration accrued
- c. Poor performance referable to risks of a certain instrument or business unit could be e.g.
 - a materialized loss when selling an instrument, or
 - a material write-down of its value affecting balance sheet
 - collective or specific loan loss reserves being made in respect of exposure

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Individual level

- a. Individual breaches of code of conduct, compliance breaches or fraud, for portfolio managers substantial mismanagement or risk taking can also lead to reduced or cancelled deferred variable remuneration.

8.7 Employees within Control Functions

Employees within the Internal Audit, Risk Control and Compliance functions (“control functions”), shall be compensated in a manner that is independent of the business area that they oversee, commensurate with their key role in the organisation and based on objectives linked to their functions.

In both SEB and IM AB, employees in the control functions are not eligible for any other variable remuneration than the All Employee Programme, unless allocation is made into fund programme after individual approval by RemCo in SEB AB. Any such allotments shall be moderate, used restrictively, be in line with the objectives of this section and on a level that secures that the total remuneration is predominantly composed by fixed remuneration.

Final determinations of remuneration for employees within control functions shall not be made in the business units and shall be made in a manner that secures that they can act independently and have the necessary powers to oversee the business units.

- The Board of Directors shall set the remuneration to employees in control function who are employed in IM AB, after proposal from the Remuneration Committee.
- For employees in control functions outsourced by SEB AB to IM AB, all remuneration decisions will be decided upon outside of IM AB in a manner that is independent of the business units that they oversee.

9 Pensions and other benefits

Pension and other benefits in IM AB are means to be perceived as an attractive employer and secure long-term commitment amongst the employees.

All pension plans within IM AB shall be in line with the Remuneration Policy and Instruction of the SEB Group.

IM AB does not utilize discretionary pension plans as a means to pay variable remuneration.

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10. Principles for remuneration for the CEO in IM AB

The remuneration structure applicable to the CEO shall mirror the remuneration structure described in previous sections.

The Board of Directors shall set the remuneration to the CEO after proposal from the Remuneration Committee.

11. Governance

11.1 Ownership

The Remuneration Committee is responsible for monitoring and following up on the development of adopted remuneration programmes and pension schemes as well as remuneration practice within IM AB, for reviewing this Policy. Further, the Remuneration Committee shall be responsible for preparing material remuneration issues which the Board of Directors shall decide upon.

RemCo is also responsible to ensure that an annual Risk assessment of this Policy IM AB's remuneration models and that the identification of IM AB's Identified staff is conducted. The Risk assessment shall examine whether incentives provided by the remuneration models appropriately take into consideration risk, capital and liquidity and the likelihood and timing of earnings.

11.2 Implementation

The Human Resources function for IM AB is (i) responsible for co-ordinating the work on remuneration issues within IM AB, including acting as approval function according to this Policy and for other specific remuneration topics, (ii) initiating the annual review of this Policy, (iii) ensuring its implementation and (iv) for reporting such work to the Remuneration Committee at least once a year.

The Human Resources function shall consult with IM AB's Risk Control and Compliance functions in reviewing this Policy as well as on principle remuneration issues.

11.3 Risk Assessment of the Policy and Identification of staff

The Risk and Compliance functions are responsible to conduct the annual Risk assessment of the Policy and IM AB's remuneration models to secure that the variable remuneration models do not put the employees in conflicts of interest with its fund holders, do not incentivise excessive risk taking and that the remuneration policy is in compliance with legislation, regulations, internal policies and risk culture.

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Furthermore, the assessment should identify the categories of staff whose professional activities have a material impact on SEB's risk profile. The assessment shall be presented to the Remuneration Committee.

11.4 Risk Adjustment

A committee chaired by the CRO and including Head of Group Compliance, Head of Risk Control, Head of Credits and representatives from Group Finance and Group HR at SEB AB is responsible for conducting an annual review based on the criteria set out in section 8.6, leading to possible recommendations on ex ante and/or ex post risk adjustments. Information relating to employees in IM AB is considered in this committee, with feedback from the relevant local function responsible. Based on the review, recommendations shall be made to the Remuneration Committee on ex post risk adjustment on IM and BA/BU levels on account of the financial and risk parameters as well as compliance and conflicts of interest parameters and relating to individual cases. The Remuneration Committee finally decides on any ex post risk adjustment to be applied.

11.5 Execution

The CEO, deputy CEO and the other members of the management team are responsible for ensuring that activities carried out and instructions adopted to implement this Policy are in accordance with the Policy.

11.6 Review

A review on the compliance with this Policy as well as the Policy's compliance with external regulations shall be conducted yearly. The review shall be conducted by internal audit. A report on the review shall be presented to the Board of Directors no later than in conjunction with the adoption of the Annual Report.