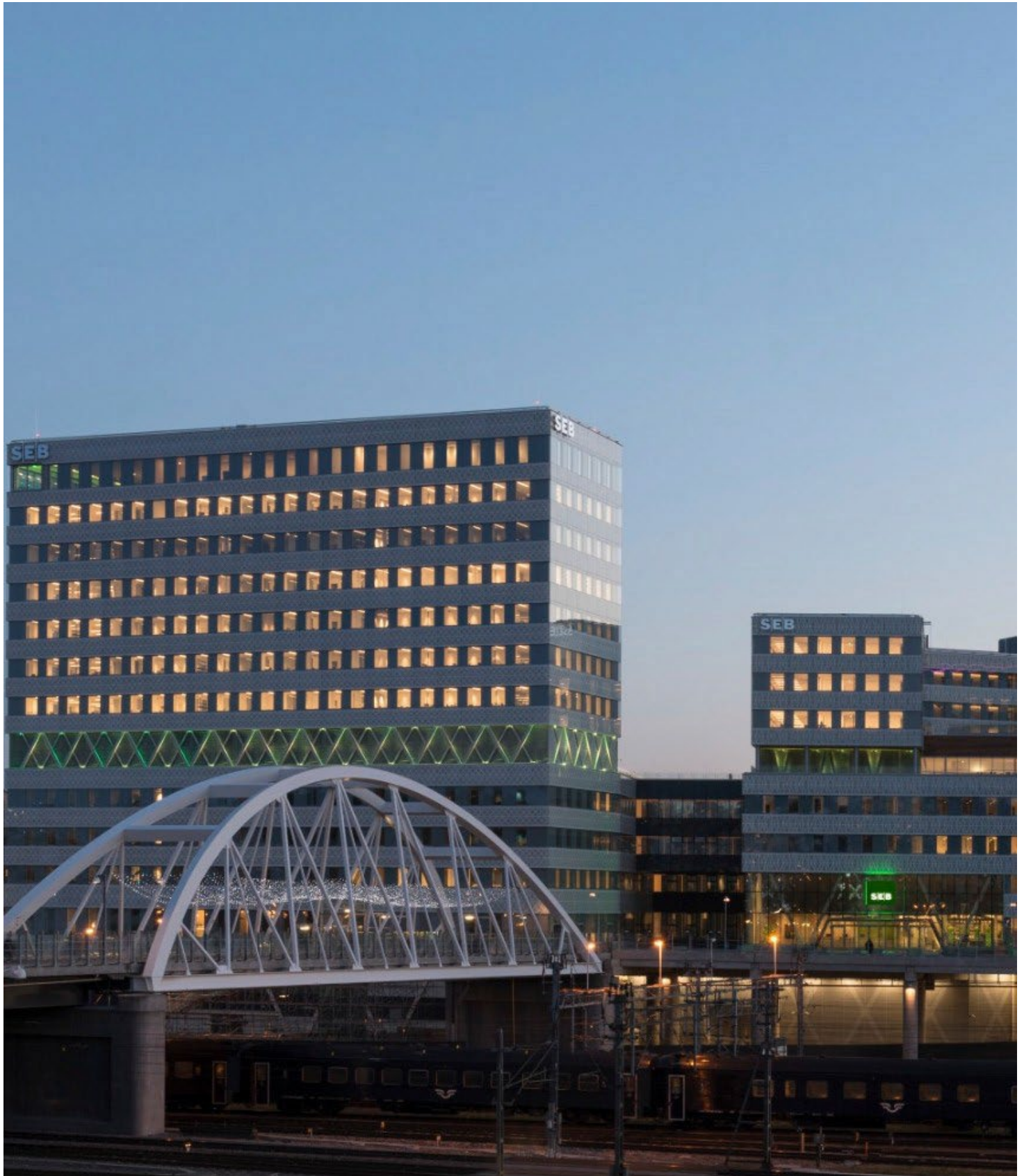


Principles for Shareholder Engagement
Adopted by the Board of Directors of SEB Investment
Management AB on 8 December 2023



SEB Investment Management (the Fund Management Company), a wholly owned subsidiary of Skandinaviska Enskilda Banken AB (publ), manages assets in the Nordic and international markets, and is one of Sweden's largest shareholders on the Stockholm Stock Exchange. Responsible exercise of the ownership role is an important aspect of the management function carried out on behalf of clients, as well as fund unitholders.

Purpose of shareholder engagement

The Board of Directors of the Fund Management Company has drawn up these Principles for Shareholder Engagement (also known as corporate governance issues), as guidelines for how the Fund Management Company acts as an owner of the companies in which the funds have invested (Companies).

The purpose of the Fund Management Company's active shareholder engagement is to invest the funds' assets within the limits set by law and regulations in order to achieve a good long-term return for the fund unitholders (clients). By exercising active ownership, opportunities for increased returns on clients' funds can be utilised. Furthermore, the Fund Management Company will actively and responsibly exercise the rights and obligations arising from ownership of the Companies in question. The ambition is also to seek to ensure a sound level of public confidence in the equities markets and that the regulated markets in Sweden and internationally continue to be well-positioned to remain attractive and efficient marketplaces.

The purpose of the principles is to provide a good picture of how the Fund Management Company views a number of issues of principle importance. However, each Company conduct its business within a framework of specific prerequisites, which is also taken into account when any position is taken.

The Principles for Shareholder Engagement apply to all funds' holdings (but not to discretionary management for individual clients). Special emphasis is given to the application of the Principles for Shareholder Engagement to Companies in which the Fund Management Company has a significant ownership interest, or if the Company is for other reasons considered to be of significance to the performance of the investment portfolio. In practice, this entails that active corporate governance is concentrated on Swedish and Nordic Companies, but also on certain Companies listed on international markets. As far as possible, the Principles will be applied to all equities markets. Adjustments to foreign markets are made to comply with local regulations and current practices. The Fund Management Company's Sustainability Policy is in principle a guide for the approach to sustainability issues and governs certain fundamental positions, and

should be seen as a supplement to these Principles for Shareholder Engagement.

Regulations

SEB Fondbolag's activities are regulated primarily by the Swedish Investment Funds Act (2004:46) and the Swedish Alternative Investment Fund Managers Act (2013:561). These Acts set out the fundamental condition for fund activities, which is that in all activities relating to fund management, the fund management company must act exclusively in the interests of the unit holders. For each of the Fund Management Company's funds, there are also fund provisions, approved by the Swedish Financial Supervisory Authority, which state, among other things, how the Fund Management Company's assets may be invested.

The Swedish Investment Funds Act (2004:46) states that a fund management company may not acquire shares with voting rights that make it possible to exercise a significant influence on the management of the Company. The Fund Management Company has internal regulations to ensure that ownership implying "significant influence" in a specific holding does not occur, in accordance with current market practice.

Other regulations that are of significance to the Fund Management Company's corporate governance are regulations and guidelines issued by the Swedish Investment Fund Association, primarily the Swedish Code of Conduct for Fund Management Companies and the Guidelines for the Fund Management Companies' Shareholder Engagement. These guidelines also take into account the principles adopted by the European Fund and Asset Management Association (EFAMA).

Furthermore, the Swedish Corporate Governance Code (the Code) sets out recommendations regarding the owners' roles and responsibilities. In matters that are not explicitly addressed in these Principles for shareholder engagement, the Fund Management Company's intends to adhere to the Code and the recommendations and guidelines of the Swedish Investment Fund Association concerning fund management companies' shareholder engagement. To the greatest possible extent and taking due account of local regulations, this also applies to Companies listed in foreign markets.

Managing conflicts of interest

The Fund Management Company has adopted instructions for handling conflicts of interest. These instructions describe how any conflicts of interest is handled.

Active ownership shall be conducted in such a way that the Fund Management Company generally does not receive insider information. If this does occur, the opportunity to execute transactions on behalf of the funds will be limited. The applicable regulations to prevent market abuse and the internal regulations in this area must always be followed when the Fund Management Company holds insider information.

The Fund Management Company's independence in relation to the SEB Group is achieved in that at least half of the members of the Fund Management Company's Board of Directors are not employed by SEB and are thus independent members of the Board of Directors. The CEO, all fund managers and other members are full-time employees of the Fund Management Company. Any ownership issues that affect the rest of the Group, Skandinaviska Enskilda Banken AB (publ), and where a conflict of interest may arise, are handled in consultation with independent members of the Board of Directors of the Fund Management Company.

Decision-making procedure in the Fund Management Company

- The Board of Directors of the Fund Management Company decides on the Principles for Shareholder Engagement.
- The Fund Management Company acts solely in the unitholders' interests, which is promoted by including independent members in the Fund Management Company's Board of Directors.
- The Head of Sustainability and Governance holds operational responsibility for corporate governance issues. Coordination between the Board of Directors and the Head of Sustainability and Governance takes place at a minimum of two annual Board meetings with special focus on governance issues.
- Governance issues of particular importance, or which are matters of principle, must be considered by the Board of Directors.

Responsible investments

The Fund Management Company believes that responsible conduct in all businesses is a prerequisite for sustainable long-term value creation. This entails that

environmental, social, and business ethical issues and corporate governance issues are deemed to affect the long-term value of the Companies and thereby the return on the investment portfolio. The Fund Management Company has a responsibility to act on these issues, as this is in the long-term interest of the clients.

The Fund Management Company has signed the Principles for Responsible Investment (PRI), an open global initiative for institutional investors launched in 2006 with the support of the UN. In brief, this entails that sustainability issues are incorporated into investment analysis and investment decisions, and that the Fund Management Company will be active owners with a significant emphasis on sustainability issues. The Fund Management Company will actively seek dialogue and emphasise the importance of the Companies continuously working with a sustainable long-term company strategy, implementing science-based targets and, in accordance with this, adjusting and adapting the Company's capital structure to the goals and strategy.

Exercising shareholder engagement

Owners, Boards of Directors, and managements of the Companies have different roles in terms of responsibility, rights, and obligations. It is important to maintain a good balance between these functions.

Active shareholder engagement concerns how shareholders influence and control the Company's Board of Directors and corporate management. To achieve the objectives of an effective corporate governance the Fund Management Company's active ownership is primarily exercised prior to and at General Meetings, through Nomination Committee work whenever possible, and through dialogue with the Board of Directors and company management. In addition, the portfolio holdings are monitored on an ongoing basis. Furthermore, the Fund Management Company may exercise influence and conduct dialogue through collaboration with other shareholders.

The General Meeting is the Company's highest decision-making authority and it is therefore important that the Fund Management Company attends General Meetings and exercises voting rights for the funds' shareholdings. The Fund Management Company has the ambition to attend the General Meetings of companies in which the Fund Management Company represents significant ownership and/or the holding is of significance to the funds' returns.

Voting will take place in accordance with the Fund Management Company's Principles for Shareholder Engagement and the Sustainability Policy. Voting rights

must be exercised in accordance with the respective funds' objectives and investment strategy, which is ensured by due observance at all times of the specific fund regulations, as well as the responsible manager's involvement in appropriate due diligence prior to the vote.

For international holdings, voting mainly takes place through Proxy Voting. The Fund Management Company uses the services of an external provider of shareholder services in order to handle the administrative voting procedures.

The Fund Management Company's relative ownership interest in a Company constitutes the basis for participation in its Nomination Committee. In principle, the Fund Management Company serves in Nomination Committees when the opportunity arises. The most important issues that are considered by a Nomination Committee are evaluation of and proposals for changes in the Board of Directors, as well as proposals for the remuneration of Board members. In collaboration with the Audit Committee, the Nomination Committee is also responsible for proposals to the General Meeting regarding the election of auditors and their remuneration.

Portfolio holdings are monitored by screening and analysis of financial and non-financial reporting, notice of General Meetings, follow-up of media reporting and in an ongoing dialogue. Ongoing follow-up of the Companies is achieved, inter alia, through our own analysis work, as well as external information and analysis services. In this way, relevant and material issues relating to the portfolio companies' strategy, financial development and capital structure are followed, as well as social and environmental risks and opportunities.

The dialogue with the Companies, which is of very great significance to the exercise of shareholder engagement, takes place regularly through various representatives of the Fund Management Company, such as portfolio managers, sustainability specialists, corporate governance officers and Nomination Committees appointed by the Fund Management Company. Dialogue with the Companies' representatives takes place at meetings initiated by the Companies, and at meetings initiated by representatives of the Fund Management Company. Meetings can take the form of regular updates or based on particular events. Furthermore, the Fund Management Company collaborates with other owners on corporate governance issues when required. This may

concern issues related to best practice in the equities markets, as well as other important matters, including Nomination Committee duties.

If the result of a dialogue with a Company does not fulfil expectations, the Fund Management Company may escalate the activity. If and when deemed appropriate, examples of escalation might be:

- Collaboration with other owners who share the Fund Management Company's view,
- Voting against a specific proposal,
- Voting against all or part of the Board of Directors,
- Putting forward a shareholder proposal at the Annual General Meeting, or
- Proposing an extraordinary General Meeting.

The Head of Corporate Governance shall ensure that, in cases where the Fund Management Company votes against the Board's proposal, the position is documented.

If the Fund Management Company assesses that the impact through dialogue or the above escalation measures does not achieve the required effect, the holding may be divested. A deciding factor for whether the Fund Management Company chooses to divest a holding is the Company's response to the above escalation and whether the Company is undergoing a credible and substantial change in the direction expected by the Fund Management Company.

In addition to individual dialogue with the Companies, the Fund Management Company also participates in initiatives and collaboration together with other investors and fund managers. These initiatives often have a thematic focus, such as carbon dioxide emissions or biodiversity. For example, the Fund Management Company has joined forums such as SISD, PRI, IIGCC, CDP and IPDD. The Fund Management Company assesses that there may be situations and instances where it is more effective to act together with other investors and managers, in particular when the Fund Management Company is a relatively small shareholder.

The Fund Management Company may also choose to collaborate in situations concerning individual companies, where the Fund Management Company's interests and views on a particular issue correspond to those of other owners.

Communication

The Fund Management Company puts great emphasis on openness and transparency in the capital markets. As well as the Fund Management Company sets requirements and holds expectations of listed companies and other market players regarding transparency and clear communication, it is of great importance that the Fund Management Company communicates its views on ownership issues to clients, portfolio companies and other asset holders in the capital markets.

These Principles for Shareholder Engagement are public and can be found on our [website](#) along with an account for our [voting behavior](#). SEB Investment Management's [Sustainability Policy](#) and the annual report to PRI on how the principles are applied and followed can also be found here.

The Fund Management Company's Principles for Shareholder Engagement

Equal treatment

Shares entailing the same financial rights in the Company will be treated equally in financial terms. In the case of public takeover bids, shares that entail equal financial rights to the Company's assets and profits should be treated equally. The Fund Management Company will therefore seek to ensure that no shareholders receive preferential treatment in financial terms with regard to dividends, acquisitions or liquidation. In the Swedish market, it is customary for shares to entail different voting rights (A and B shares), but with the same financial rights to the Company's assets and profits. In order to maintain confidence in this system, it is important that the principle of equal treatment is maintained.

There should be no anti-takeover provisions in the Articles of Association of a Company.

General Meetings

The General Meeting is the Company's supreme decision-making authority. It is important that the Board of Directors ensures that all shareholders receive clear and relevant information including the motives for the proposals to be presented at the General Meeting in good time before a General Meeting. Full decision-making documentation must be available on the Company's website in good time before the General Meeting and no later than in connection with

the publication of the notice convening the General Meeting. The notice should be worded in such a way that shareholders who do not attend the General Meeting themselves, e.g. foreign owners who use a proxy vote with instructions, as far as possible can participate in voting decisions on equal terms with the shareholders who attend the General Meeting in person.

At a General Meeting, all shareholders have the opportunity to attend and put questions to the Board of Directors, company management and auditors. The Board of Directors holds a great responsibility for the General Meeting to be informative as well as inclusive. It is important that, in the planning of the General Meeting, the Board of Directors ensures that the General Meeting is an opportunity for the exchange of information and for dialogue with the shareholders.

Nomination Committee

The General Meeting shall appoint a Nomination Committee or specify how the Nomination Committee's members are to be appointed. It is important, however, that the mandate for appointing the Nomination Committee provides an opportunity to change the composition of the Nomination Committee in the event of major changes in ownership. It must also be clear that the Nomination Committee's mandate applies until the next Nomination Committee is appointed.

The Nomination Committee shall safeguard the joint interests of all shareholders. The right to propose and vote for Board members at the General Meeting is fundamental for the shareholders. The nomination of the Chair and members shall therefore take place according to a clear and transparent nomination procedure.

It is important that the Nomination Committee is given the necessary time to fulfil its duties. The Nomination Committee should therefore meet to plan its work as soon as possible after the Nomination Committee has been appointed. The Chair of the Board will normally initiate the first meeting of the Nomination Committee. The Nomination Committee will document its work. The results of the work of the Nomination Committee must be presented to and well-motivated at the General Meeting.

At the General Meeting, the Chair of the Board must report on the work of the Board of Directors over the past year, and in the Annual Report a listed company must provide information about the process for nomination of Board members.

Well-structured Nomination Committee work will contribute to ensuring that the Company's Board of

Directors has the right composition. Evaluation of the Board of Directors, undertaken on a regular basis by an external party, is an important aspect of the work of the Nomination Committee. In addition to the Company's Board evaluation, the Nomination Committee's members should supplement their information and knowledge through interviewing and meeting the members of the Board of Directors. No fees shall be paid to the members of the Nomination Committee.

The Fund Management Company believes that the Chair of the Board should not be a member of the Nomination Committee. This person should instead be co-opted to the Nomination Committee's meetings to the appropriate extent. This procedure clarifies the various functions and responsibilities of the Nomination Committee and shareholders in relation to the Board.

The work of the Nomination Committee shall be conducted in such a way that the Nomination Committee's members are only insiders in exceptional cases, and only for short periods.

The Nomination Committee shall also consider the Audit Committee's annual evaluation of the audit work and observe the guidelines laid down concerning which services other than auditing may be procured by the Company from the Company's auditor. The Company's Audit Committee is responsible for the procurement of the audit service, which must take place in an open and transparent process with the Nomination Committee.

Securities lending agreements

The Fund Management Company's Board of Directors has decided that the Fund Management Company shall not enter or participate in any shares lending agreements.

Composition and responsibility of the Board of Directors

The Swedish Companies Act lays down three decision-making levels in limited liability companies: The General Meeting, the Board of Directors, and the CEO. These decision-making levels should be clearly separated. The Company's CEO should therefore not be a member of the Board of Directors since the CEO is subordinate to the Board of Directors. The Fund Management Company also believes that, as a rule, it is not appropriate for a former CEO to be appointed Chair of the Board of Directors.

Successful Board work requires a composition of members with the necessary qualifications and experience, high integrity, good availability, and a high level of commitment. The Fund Management Company

works to broaden the recruitment base for boards of directors and thereby achieve gender equality as well as increased diversity. The Board of Directors shall be elected until the next Annual General Meeting, or for a maximum of one year at a time. The number of Board members should be limited, and deputy board members should not be appointed. This is to contribute to high efficiency and good dynamics in the work of the Board.

The Board members shall devote the time and attention required to carry out active and effective Board work, while always taking the interests of all shareholders into account.

The composition of the Board of Directors should ensure that the majority of the members are not dependent in relation to the Company, while at least two of these members must also be independent of major shareholders.

With integrity, business acumen and good judgement, the Board of Directors shall decide on the Company's long-term strategy, appoint and dismiss the CEO, decide on and monitor how the strategy is implemented and how the level of risk in the Company is monitored and managed, and report to the owners on how the Company's work is progressing. The purpose of this assignment is to create long-term value for the owners. This entails that in most cases the Company cannot merely comply with the letter of laws and regulations. It is the Board's responsibility to ensure that the Company's operations are conducted on a financially, environmentally, and socially responsible basis and with transparency in their communication.

If the Fund Management Company considers that the Company does not act in the best interests of the Company and its owners, this will be communicated to the Board of Directors. The Fund Management Company may vote against the re-election of all or some members of the Board of Directors if the Company fails to act on a responsible basis. The Fund Management Company may also sell the holding.

Environmental and social responsibility

The Fund Management Company do expect that the Companies' responsibility in the area of sustainability is in line with the ten principles of the UN Global Compact, which are based on international standards for human rights, working conditions, the environment and business ethics. In addition, it is expected that the Companies adhere to internationally agreed guidelines and principles for enterprises, such as the UN Guiding Principles for Business and Human Rights.

In line with the Paris Agreement, the Fund Management Company has set the target that total assets under management will be carbon-neutral by 2040. This entails, among other things, that the Fund Management Company will seek to ensure that the Companies in which it invests strive for and take actions to, achieve a carbon-neutral business at the same time.

The Fund Management Company also seeks, in line with the Global Biodiversity Framework, to ensure that the Companies in which it invests strive for and take actions to minimize impacts on and restore local environments and ecosystems.

The Fund Management Company believes that Companies which integrate environmental and social factors in their decision-making, whereby these aspects pervade the Company's long-term strategy and organisation, will have better possibilities to ensure long-term profitability. This obviously require the Company's Board of Directors to have the necessary knowledge of the environmental and social risk factors that are central to the Company. In other words, the Board of Directors should also be composed to ensure that it can lead the Company on these issues.

To be competitive in the long term, the Companies must manage relevant risks and opportunities in sustainability. The Board of Directors shall adopt a responsible approach and work actively on the sustainability issues that are particularly relevant and material for the Company. The issues may relate to environmental and climate impacts, human rights and working conditions, and should concern the entire value chain (own operations, suppliers, business partners and products/services), as well as business ethics issues such as anti-corruption and taxes. The Company's approach to relevant sustainability issues must be documented in a Code of Conduct and in policy documents adopted by the Board of Directors.

The Fund Management Company expects the Companies to follow up their sustainability work on an annual basis and that this follow-up includes achievement of goals, besides long-term strategy, and risks, as well as achieved targets and relevant benchmarking within the relevant industry/sector.

The Fund Management Company may propose, or alternatively adopt a position for proposals to the General Meeting concerning environmental reporting or reporting on social issues, which aim to:

- Follow-up on targets based on scientifically proven models, such as Science Based Targets (SBT) and Science Based Targets for Nature (SBTN),

- Ensure reporting of the Company's environmental and social work, including identified impacts, risks, and opportunities, and
- Ensure that incentive programmes are designed with a clear link to the achievement of the Company's environmental and social objectives.

Capital structure

The Companies should seek to have a well-balanced capital structure that corresponds to the Company's long-term sustainable strategy and goals, as well as its operational risks. Capital that the Company cannot in the long term invest with a return that exceeds the Company's capital costs should be distributed to shareholders. The Fund Management Company takes a positive view of using conventional methods such as rights issues, extra dividend distribution, redemptions, or acquisitions of own shares to achieve a well-balanced capital structure.

As differences in voting rights (which are relatively common in Sweden) do not have any value from the Company's perspective, buybacks shall only be made of the lowest-priced share type at any time.

The Fund Management Company seeks to ensure that shareholders can vote at the General Meeting on new share issues, dividends, and buy-backs of the Company's own shares.

New issues of shares

On any new issues, the right of existing shareholders to take part in the issue must always be protected. The Fund Management Company therefore advocates that issues of new shares shall be conducted with preferential right for existing shareholders. Proposals for directed new issues without preferential rights for existing shareholders must therefore be specifically motivated and justified.

In some cases, it may be justified to deviate from the preferential rights of existing shareholders (directed issues). The discount in directed issues should be in line with the market.

In cases where the Board of Directors is proposed to be authorised to make decisions on issues during the current financial year, an upper limit on the proportion of the Company's total capital that may be issued should be decided by the General Meeting. The decision shall not be valid for longer than until the next General Meeting. The Board of Directors should also describe the situations in which it intends to use this authorisation.

In the case of non-cash issues, a thorough and clear valuation must be published so that shareholders can assess the issue conditions in relation to the acquired assets.

All deviations from the normal circumstances, which is a rights issue decided at the General Meeting, must be fully justified by the Company's Board of Directors. Due to the Fund Management Company's liquidity and flexibility requirements, in principle the Fund Management Company will not provide any guarantees of its participation in issues.

Audit and internal control

The auditor is appointed by the General Meeting and has the task, on behalf of the owners, to review the Board of Directors' and the managements' management of the company. On the selection of auditors, the Fund Management Company believes that open information about how the procurement has been carried out and the reasons for the choice of the firm of auditors must be disclosed in good time before the General Meeting. As for the election of Board members, it is of great importance that the nominated auditor has the required qualifications, as well as the time and resources to undertake the assignment. Auditors of listed companies should not undertake other consulting services for the Company. If this is the case, this must be stated in the Annual Report.

It is of great importance that the auditor adopts an independent position in relation to the Board of Directors and management. In the Auditor's Report and at the General Meeting, the auditor should give the shareholders detailed information concerning the audit of the Company.

Good internal control is a natural aspect of the business activities of all well-managed companies. The Board of Directors is responsible for ensuring that the Company has a good control environment. The Board of Directors must ensure that the reporting of internal control gives a true and fair view of the most significant risks in the business.

Remuneration of Board members

All remuneration of the Board of Directors must be adopted by the General Meeting. The Fund Management Company believes that the distribution of remuneration should ensure that the remuneration of the Chair of the Board of Directors reflects the Chair's greater workload compared to the other members of the Board of Directors. This also applies to the Chair of any Board committees. In addition, the remuneration of the board members should be determined based on complexity and effort.

The remuneration of the Board of Directors should be competitive in the sense that the ambition to be able to nominate the best possible Board of Directors can be achieved. The Fund Management Company recommends gradual adjustment of the remuneration, rather than large one-off increases.

The Fund Management Company believes that the

main principle should be that the remuneration of the Board of Directors is a fixed amount. If there is any deviation from this principle, any such proposal must be put forward by the Nomination Committee and decided upon by the General Meeting.

Fees to members of the Board of Directors in addition to the Board remuneration, for example for Board members' consulting services, should be avoided.

Should this nevertheless occur, the conditions and remuneration must be clearly reported. The General Meeting should preferably decide in advance on the maximum amount for this type of service.

The Fund Management Company takes a positive view of Board members as shareholders of the Company.

Remuneration of senior executives and incentive programmes

Guidelines for remuneration of senior executives shall be approved by the General Meeting. This applies to members of the company management or other employees, and to persons who are about to take up a position in the company management or who have left such a position, but have previously influenced the design of the incentive programme. The approval of the General Meeting is also required concerning incentive programmes for senior executives in both subsidiaries and associated companies.

The General Meeting's decisions concerning incentive programmes shall include all significant terms and conditions, and the Board of Directors should, in good time before the General Meeting is convened, present the proposal to major shareholders and allocate sufficient time to obtain the shareholders' views.

Dialogue and presentation should take place without the presence of representatives of the Company who are intended to be covered by the programme and without external consultants.

The Fund Management Company takes a fundamentally positive view of incentive programmes that stimulate increased engagement and good performance, while contributing to the Company's long-term goals and value creation. However, it is of great importance that the programmes are appropriate and have the intended effect. The Fund Management Company also urges the Companies to give great emphasis to reducing the complexity of the programmes.

It is the Board's responsibility to draw up and propose the principles (guidelines) for the Company's remuneration policy. Prior to the General Meeting, the Board of Directors shall also explain and justify the purpose of any incentive programme. The Board of Directors should describe how the programme contributes to any improvement in the Company's business model, the implementation of a sustainable long-term strategy, and how it contributes to achieving the Company's financial and non-financial objectives. The Fund Management Company gives great weight to ensuring a clear link, of a significant nature, between incentive programmes and relevant and tangible sustainability goals for the Company. The Board of Directors may not entrust significant elements of the design of the incentive programme to the company management.

The total remuneration to the entire company management must be reported openly in an appropriate manner in the Company's Annual Report.

The Fund Management Company advocates performance related incentive programs with a meaningful weighting on sustainability targets in the program. This implies that the part of total outcome related to sustainability targets should be directorial and influence behavior as well as the decision-making.

In the case of incentive programmes without an element of own market investment, the Fund Management Company considers that predetermined, clear, and measurable performance is required to be eligible for a share-based incentive programme. The general principle is that the performance requirements shall be linked to the Company's implementation of its long-term sustainable strategy and achievement of its objectives, as well as to the long-term value creation. An incentive program should not reward participants merely as an effect of a generally rising stock market. If the programmes are related to the Company's share performance, this element should be on a relative basis, so that the Company's share performance is related to the development in the sector, or the share performance of selected competitors. The requirements must be designed to ensure that unwanted risks or other undesirable conduct are not encouraged.

With regard to incentive programmes with an element of own investment, the Fund Management Company considers a market-based payment in order to participate in an incentive programme to be equivalent to a performance requirement. The Fund Management Company therefore approves incentive programmes in which participants pay a market-based price for their participation. The Fund Management Company takes a positive view of all employees holding shares in the Company. To stimulate this, under certain conditions and at reasonable costs, the company may subsidize participants on a limited scale.

Prior to a decision on an incentive programme (in companies listed on the Swedish marketplace), the Fund Management Company must have received sufficiently detailed decision-making documentation in accordance with both the Swedish Companies Act and the provisions of the Swedish Corporate Governance Code.

Remuneration of the Board and Executive Management and on Incentive Programmes" applicable from 1 January 2021. This also apply for international markets, to the extent possible due to legislation and best practise in the actual market.

For an incentive programme to have the intended effect, i.e. to ensure that senior executives' and other key individuals' interests correspond to the shareholders' interests, and lead in the required direction, among other things the following aspects must be observed and accounted for:

- The reasons for the proposed incentive programme must be well-considered and easy to understand. Documentation provided is expected to be comprehensive.
- New incentive programmes should always include a clear and strong link to the Company's relevant and material sustainability goals.
- The share of the incentive programme linked to the Company's sustainability goals should be directorial and influence behavior as well as the decision-making.
- The incentive programme must be part of a long-term remuneration strategy, which runs for a defined period of time, and at least three years. The programme must have a reasonable scope, which entails, among other things, a cap on the cost for the Company and shareholders.
- There shall be a clear link between outcome and measurable performance, or alternatively own investment. The number of instruments, the size of the allocation, including the procedure to be applied on over- or under-subscription, and how and to which categories of employees' allocation is to take place, must be stated.
- Predefined and measurable criteria, designed to promote the Company's long-term strategy and value creation, applying to allocation under the program shall be reported. If such criteria are not specified, a justification for why such criteria have not been set must be provided.
- The market value of the instruments and the price at which the instruments can be acquired and, where appropriate, how the market value has been calculated, shall be explained.
- The programme's costs for both the Company and the shareholders (dilution) must be reasonable and be clearly reported. The size of the costs which the program may entail for the Company, based on various assumptions

concerning the share's future price development shall be stated. The maximum possible outcome for the company management shall be stated.