

## Remuneration Policy

Stockholm, 13 April 2023

SEB Investment Management AB wishes to encourage and incite good performance and sound behavior, as well as to endeavor to achieve balanced risk-taking that is aligned with the interests of fund unitholders.

The Management Company has a long-term vision regarding the employment conditions of its staff. Total remuneration shall contribute to developing the Management Company's competitiveness and profitability through the Company being able to attract, retain, motivate and reward competent and skillful employees. In order to achieve this objective, the Management 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 Management Company has a remuneration system that is adapted to the fund unitholders' long-term interests and the Management 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 Group's (SEB) values. The fund company's policy has been designed considering the company's size and internal organization as well as the nature, scope and complexity of the business. It is reviewed at least annually. The Management Company's remuneration policy is reviewed at least annually. The Management Company's current remuneration policy is based on a risk analysis that has been prepared by the Management Company's risk control department.

### **The Management 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 and between short- and long-term 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 behavior.

All employees at the Management 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 compliance) is established by the board of directors further to proposals from the Management 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 are not to receive any other variable remuneration over and above SEB's profit sharing.

The Management 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 Management Company uses variable remuneration to develop and reward performance and behavior that create both short-term and long-term value for the fund unitholders and the Management 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 Management Company are established with the objective of reflecting the Management 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 behavior from a several-year perspective, as well as the performance and economic results of the employee's team, the Management Company and SEB as a whole. The employee's individual performance must reflect compliance with rules and policies for risk-taking in the Management Company and the SEB-Group, including sustainability risks, Code of Conduct, and the requirements for internal controls.

At the same time as obtaining a sound balance between fixed and variable remuneration, the payment of variable remuneration shall be related to the Management Company's risk policy and creation of value for the fund unitholders. This implies that certain maximum levels and deferral of payment shall apply to different personnel categories.

For employees in positions that have a significant influence on the Management 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 four 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 investment 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.

For certain employees who manage funds and discretionary mandates, the Management Company apply a special remuneration model. The remuneration model for these employees is based on a structure with clear rules for maximum outcome of remuneration, deferral of remuneration and rules on downward adjustment / loss of remuneration. Payment of deferred remuneration shall only be made if such is motivated based on the Management Company's economic situation and the performance of the Management 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 deferral 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 Management Company's financial situation.

The variable remuneration system must be reviewed continuously to ensure that it does not create any unsuitable behavior and contribute to excessive risk-taking.

#### **The remuneration committee**

The Management 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 Management 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 must be reviewed annually by the internal audit department or by an independent auditing firm. To ensure that the Management Company's remuneration system is applied in accordance with the remuneration policy, the remuneration system and the payment of remuneration is reviewed annually by internal or external auditors.

A paper copy of the fund company's information on the remuneration policy can be obtained free of charge upon request from the Management Company. Information about the remuneration policy and remuneration is also provided in the annual reports for the funds.