



DNB Asset Management

The remuneration policy in DNB Asset Management AS



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The purpose of this document is to describe DNB Asset Management's remuneration policy, in line with the requirements in the regulations of the Securities Fund Act, § 8-1. Furthermore, the purpose is also to describe how the remuneration policy is consistent with the integration of sustainability risks, as per Article 5 of the Sustainable Finance Disclosure Regulation (SFDR).

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment (SFDR article 2 (22)).

DNB Asset Management's remuneration policy meets the requirements specified in §2-16 of the Securities Fund Act and the regulations of the Securities Fund Act Chapter 2, Part XI, and has been established in accordance with the Norwegian Fund and Asset Management Association's recommendations for such policies.

The remuneration scheme of employees' of DNB Asset Management consists of fixed salary and variable remuneration.

The fixed component of the remuneration is based on the individual employee's background and experience and is determined by means of a market rate assessment. For senior executives and employees who have work tasks of significant importance to the risk exposure of the company or the mutual funds, the fixed component of the remuneration must be sufficient to ensure that the employees are not dependent on the variable remuneration. The same applies to employees who have an equivalent remuneration to that of senior executives/risk takers.

Employees who have independent control tasks in DNB Asset Management receive only fixed salary and are given no form of variable remuneration.

The variable component of the remuneration in DNB Asset Management is determined according to two different models. One applies to employees who are included in the DNB Group's individual bonus scheme (the Group model), and the other applies to portfolio managers and their managers (the Fund manager model).

Variable remuneration according to the **Group model** is based on allocations to the DNB Group's individual business areas, on the basis of an overall assessment of performance and contributions to the Group's risk-adjusted profits. The individual allocation of variable remuneration according to the Group Model is based on an overall assessment of the employee's performance and conduct. As of today, sustainability risk is not integrated in the Group model.

Variable remuneration according to the **Fund manager model** is based on the achieved relative asset management performance over the last two years in the underlying portfolios. The individual allocation of variable remuneration according to the Fund manager model is based on the employee's contribution to achieved relative asset management performance and conduct. Some of the employees covered by the Fund manager model have additional, specific variable remuneration agreements directly linked to the relevant fund's asset management performance. In the evaluation of an employee's conduct, breaches in investment policies are given particular weight. Sustainability risk parameters are integrated in investment policies and breaches in these, as with breaches in other risk parameters, may entail a reduction in the employee's variable remuneration.

Variable remuneration under both models is determined annually by the Board of DNB Asset Management after consideration in the DNB Group's Compensation Committee. The Compensation

Committee has up to four members from the Board of DNB Bank ASA: It is headed by the chair of the Board, two members from the shareholder-elected Board members and one member from the employee-elected Board members. In addition to the Compensation Committee's consideration, variable remuneration under both models is presented to the Group Chief Executive Officer (CEO) in DNB Bank ASA before being adopted by the Board of DNB Asset Management.

Retention of variable remuneration

For the following groups of employees:

- Senior executives,
- employees and employee representatives who have work tasks of significant importance to the risk exposure of the company or mutual funds (risk takers),
- employees and employee representatives whose remuneration is equivalent to that of senior executives/risk takers, and
- employees with sales-related work tasks,

variable remuneration is in its entirety invested as fund units in mutual funds managed by the company. 40 per cent of these are immediately transferred to the employee's mutual fund account, while the remaining 60 per cent are evenly transferred to the employee over a period three-year period. After transferal to the employee's mutual fund account, the fund units will be subject to a minimum holding period of six months.

All withheld variable remuneration is conditional and can be reduced or revoked on the basis of the company's financial position, and the performance of the relevant mutual fund and the employee in question.

Board members only receive fixed remuneration for their Board positions.

Change log

Date	Version number	Comments / changes
01.12.2023	1.0	New document
04.11.2024	1.1	The document has been added to a new template. Some structural changes have been made to the text.

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