DNB Asset Management

The remuneration policy in DNB Asset Management AS

Introduction

The purpose of this document is to describe DNB Asset Management's remuneration policy in line with section 8-1 of the Regulations to the Securities Fund Act. The remuneration policy meets the requirements of section 2-16 of the Securities Fund Act and Chapter 2, Part XI of the Regulations to the Securities Fund Act, and has been established in accordance with the Norwegian Fund and Asset Management Association's industry recommendation on remuneration arrangements. The document also describes how the remuneration policy is consistent with the integration of sustainability risks pursuant to Article 5 of the Sustainable Finance Disclosure Regulation (SFDR).
The remuneration arrangements for employees of DNB Asset Management AS consist of fixed and variable remuneration.

Fixed remuneration

Fixed remuneration is based on the individual employee's background and experience and is determined on the basis of a market assessment. For senior executives and employees whose duties have a material impact on the risk exposure of the company or the mutual funds, fixed remuneration must be sufficiently high to ensure that the employee is not dependent on receiving variable remuneration. The same applies to employees whose remuneration is equivalent to that of senior executives or risk takers.

Employees with independent control functions in DNB Asset Management receive fixed remuneration only and are not eligible for any form of variable remuneration.

Variable remuneration

Variable remuneration in DNB Asset Management comprises two models. One applies to employees covered by the DNB Group's individual bonus scheme (the Group model), while the other applies to portfolio managers and their managers, who are covered by the Risk Adjusted Profit Sharing model (RAPS).
Variable remuneration under the Group model is based on allocations to the individual business areas of the DNB Group following an overall assessment of performance and contributions to the Group's risk-adjusted results. The individual allocation is based on an overall assessment of the employee's performance and conduct.

Variable remuneration under the Risk Adjusted Profit Sharing model (RAPS) is based on the management company's profitability. The individual allocation of variable remuneration under the RAPS model is based on the employee's contribution to achieved relative asset management performance and conduct. In the assessment of an employee's conduct, breaches of the investment guidelines are given particular weight. Sustainability risk parameters are integrated into the investment guidelines. Breaches of sustainability-related risk parameters may, in the same way as breaches of other risk parameters, result in reduced variable remuneration.

Determination of variable remuneration

Variable remuneration is determined annually by the Board of Directors of DNB Asset Management following consideration by the DNB Group's Compensation and Organisation Committee. The Committee comprises up to four members of the Board of Directors of DNB ASA. The Committee is chaired by the Chair of the Board of DNB Bank ASA and also comprises two shareholder-elected Board members and one employee-elected Board member. The proposed total allocation under the RAPS model is also submitted to the Group Chief Executive Officer before the final decision is made by the Board.

Retention of variable remuneration

For the following groups of employees and employee representatives:

- senior executives
- employees and employee representatives whose duties have a material impact on the risk exposure of the funds or the company (risk takers)
- employees and employee representatives whose remuneration is equivalent to that of senior executives or risk takers, and
- employees with sales-related duties

variable remuneration is invested in its entirety in units in mutual funds managed by the company. Forty per cent is transferred to the employee's mutual fund account, while the remaining 60 per cent is transferred to the employee in equal instalments over a three-year period. Following transfer to the employee's mutual fund account, the units are subject to a six-month retention period.

Deferred variable remuneration is conditional and may be reduced or forfeited based on the company's financial position and the performance of the relevant fund or employee.

Board members receive fixed remuneration only for their Board positions.

Change log

Date	Version number	Comments / changes
01.12.2023	Version 1.0	New document
04.11.2024	Version 1.1	Formatting changes.
31.08.2026	Version 2.0	Updated in line with the revised instruction on variable remuneration.