

The remuneration policy in DNB Asset Management AS

DNB Asset Management's remuneration policy consists of fixed salary and variable remuneration. The policy meets the requirements specified in chapter 2, section 2-16 of the Securities Funds Act and has been established in accordance with the Norwegian Fund and Asset Management Association's recommendations for such policies.

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, fixed component of the remuneration must be sufficient to ensure that the employees are not dependent on performance-based remuneration. The same applies to employees who have an equivalent remuneration to that of senior executives/risk takers.

The variable component of the remuneration in DNB Asset Management is determined according to two different models. One 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 Group model). The other provides a total amount based on the achieved relative asset management performance over the last two years in the underlying portfolios (the Fund manager model). This model applies to portfolio managers and their managers. Allocations made according to both models must be presented to the Group Chief Executive Officer (CEO) before being adopted by the Board of DNB Asset Management.

Variable remuneration according to the Group model is determined annually by the Board of DNB Asset Management after consideration in the DNB Group's Compensation Committee as described below. The Compensation Committee has up to four members. The Committee is headed by the chair of the Board of DNB Bank ASA, and in addition consists of up to two of the Board's shareholder-elected members and one employee-elected Board member.

The allocation of variable remuneration according to the **Group model** is based on an overall assessment of performance and conduct. The allocation of variable remuneration according to the **Fund manager model** is based on achieved relative asset management performance and conduct. Some of the employees covered by the Fund manager model have additional, specific agreements for variable remuneration directly linked to the relevant fund's asset management performance.

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
- employees with sales-related work tasks

The following applies:

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 of three years. After transferral 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, the relevant mutual fund's performance or the performance of the employee in question.

The integration of sustainability risks is part of the total risk assessment of the investments for the relevant products and is thus included in all risk parameters in DNB Asset Management's remuneration policy. Breaches in sustainability risk policies, as with other breaches in risk parameters, may entail a reduction in employees' variable remuneration.

Employees who have control tasks in DNB Asset Management are not given variable remuneration.

Board members only receive fixed remuneration for their Board positions.