

Remuneration policy

Company	Lysa Fonder AB
Approved by	Board
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1. Background and purpose

Lysa Fonder AB (the 'Management Company') is a company with a licence from the Swedish Financial Supervisory Authority to conduct fund operations. The Management Company is part of a group (the 'Lysa Group') with three companies: Lysa Group AB (the 'Parent Company'), Lysa AB (Lysa) and the Management Company. Lysa and the Management Company are wholly owned subsidiaries of the Parent Company.

This policy establishes the basis and principles for how remuneration is to be established, applied and followed up, as well as how the Management Company will define employees whose duties have a significant impact on the Management Company's risk profile.

In accordance with Chapter 8a, Section 4 of the Swedish Financial Supervisory Authority's regulations on investment funds (FFFS 2013:9), a fund management company must formulate and apply the remuneration policy in a manner that is compatible with and promotes sound and effective risk management. The remuneration policy must counteract risk-taking that is inconsistent with the risk profile of the managed investment funds and the Fund rules. The remuneration policy and its application may not prevent the Management Company from fulfilling its obligation to act in the interests of the unitholders.

The remuneration policy shall also be drafted and applied in a manner that is appropriate with regard to the Management Company's size and internal organisation, as well as the nature, scope and complexity of the business. The remuneration policy shall be consistent with the business strategy, objectives, values and interests of the Management Company and the managed securities funds and unitholders.

This policy has been drawn up in accordance with FFFS 2013:9 and ESMA's guidelines (ESMA/2016/575) on a sound remuneration policy in accordance with the UCITS directive.

2. The Management Company's remuneration system

2.1 General

The Management Company's remuneration policy shall be drafted in such a manner that it promotes good performance and allows for the Management Company to retain and attract competent personnel. The remuneration policy shall also support a sound and effective risk management system and counteract excessive risk taking among the Management Company's staff.

The Management Company applies fixed individual salaries and does not pay any bonuses or other discretionary pension benefits. The Management Company offers a long-term incentive program based on warrants in the Parent Company to be able to recruit competent staff. Since the warrants are acquired at market value, it does not preclude any compensation and therefore does not apply to the remuneration policy.

2.2 Fixed remuneration

2.2.1 Basic salary

Fixed remuneration is the only applicable remuneration for the Management Company's employees. The wage-setting is individual, but fixed remuneration is determined based on the employee's professional experience, qualifications, role and responsibility in the Management Company and the labor market in the geographical area where the employee works. For certain employees, the remuneration is currently below marketable remuneration since the Management Company is in a start-up phase. The idea is that the Management Company over time should compensate its employees with normal market remuneration.

2.2.2 Pension

The Management Company offers employees pension provisions. The size of the pension provisions is based on the fixed remuneration and is the same for all employees within the Management Company.

2.2.3 "Parental wage"

In order to make it easier for employees who wants to become parents and to be an attractive employer, the Management Company offers parental wage to its employees. This means that the Management Company "tops up" the employees' wage so that the total wage level for the employee remains at a constant, provided that some objective conditions apply. The size of parental wage is based on the basic salary and is equal to all employees within the Management Company.

2. Identification and analysis of remuneration policy risks

2.1 Risk analysis and identification of

The Management Company shall yearly carry out a risk assessment. In this analysis, which is to be documented, the Management Company must analyse all risks, including sustainability risks, associated with the Management Company's Remuneration Policy and remuneration system.

On the basis of the analysis, the Management Company shall identify specially regulated personnel at the Management Company. The Management Company must document and specifically motivate if any of the employees in the personnel categories specified in Chapter 1, Section 9 (31)(a) to (d) in FFFS 2013:9 are not viewed to exert any significant influence on the risk profile of the Management Company or the managed securities funds and shall therefore not be deemed to belong to the Management Company's specially regulated personnel. This is done in the yearly review.

2.2 Compatibility with the integration of risks (including sustainability risks) into the investment decision-making process

As the Management Company only pays fixed remuneration, which is determined on the basis of predetermined criteria that are not related to the employees' risk-taking, the remuneration policy is deemed to be compatible with the integration of risks (including sustainability risks) in the investment decision-making process.

3. Follow-up and control

The Board shall decide on remuneration to the executive management, i.e. the Management Company's CEO and Head of Legal. In addition, the Board shall decide on the remuneration paid to those responsible for the Management Company's control functions. Where applicable, the Board's decisions must follow what the Annual General Meeting has decided in terms of remuneration for the Management Company.

The Board shall appoint a special member to the Board who shall, at least annually, make an assessment of the Management Company's Remuneration Policy and remuneration system. The special member shall also prepare Board decisions on remuneration. This person must have sufficient knowledge and experience in matters relating to risk management, remuneration and control functions and may not be part of the management of the Management Company.

When preparing the Board's decisions, consideration must be given to the long-term interests that apply to fund unit-holders and other stakeholders, and to public interests.

The Management Company has appointed the Internal Audit function to act as an independent control function with regard to follow-up and control of the Management Company's Remuneration Policy. The independent control function shall examine on an annual basis whether the Management Company's remuneration system complies with this remuneration policy.

The results of this review must be reported to the Board no later than when the annual report is presented. If the control function finds that the Management Company's remuneration to individual employees deviates from this remuneration policy, reporting to the Board shall take place immediately.

4. Disclosures

The Management Company must explain on its website how the Management Company complies with the provisions relating to remuneration in applicable regulations. Furthermore, the Management Company shall publish on its website information about how this remuneration policy is compatible with the integration of sustainability risks in the investment decision-making process.

In all of the Fund's annual reports, the Management Company shall provide details of the total remuneration for the financial year that the Management Company has paid to its staff and of the Management Company's compliance with and significant changes to the Management Company's remuneration policy. The information shall also contain corresponding details of employees of contractors to whom risk management has been delegated.

Each fund's information brochure and Key Investor Information Document (KIID) must contain information about the Management Company's remuneration policy.

5. Compliance and updating

The Board of the Management Company shall approve this guideline at least once a year, even if no changes have been made. In addition, the Board shall allow a control function to carry out an annual check that the remuneration system for the Management Company is applied in accordance with this policy. The specially appointed Board member, see section 3, is responsible for updating the guideline annually or as required prior to the Board's decision.

The CEO is responsible for the compliance and implementation of this document in the Management Company's activities.