

Triol Bostadskreditfond AB

REMUNERATION POLICY

1 INTRODUCTION

Chapter 9, section 3 of Finansinspektionen's regulations (FFFS 2013:10) regarding managers of alternative investment funds states that Triol Bostadskreditfond (the "Company") shall have a remuneration policy.

The European Securities and Markets Authority (ESMA) has also issued guidelines on remuneration policy under the AIFM Directive. The Company's remuneration policy, the amount paid and its application shall be published at the latest in connection with the publication of the annual report of the Company. The information shall relate to the circumstances on the balance sheet date.

According to the above-mentioned regulations, the Company shall have a remuneration policy that is consistent with and promotes sound and effective risk management and discourages excessive risk-taking.

Salaries and other conditions of employment shall be such as to enable the Company to attract and retain competent employees. Employees shall be informed of the criteria governing their remuneration and how their performance is assessed.

The policy is decided by the Board of Directors and applies to all employees of the Company.

2 DEFINITIONS

For the purposes of this policy, terms and expressions shall have the following meanings.

Employees in senior strategic positions: employees who, in addition to executive management, manage and are responsible for the day-to-day operations of the firm, e.g. employees responsible for portfolio management, administration or marketing.

Discretionary pension benefit: a pension benefit granted by an entity to employees on an individual basis as part of their variable remuneration. This does not include accrued benefits earned by employees under the terms of the trustee's pension scheme. No employee of the Company currently has a discretionary pension benefit.

Remuneration: all remuneration and benefits provided by the undertaking as well as all amounts paid directly by the fund (including special profit-sharing) to an employee. Remuneration and benefits from the undertaking means, for example, cash salary and other cash benefits, remuneration in the form of units or shares in a mutual fund or an alternative investment fund, or an instrument that achieves an equivalent community of interest

such as units or shares in an alternative investment fund, pension provisions, severance payments or car benefits.

Control function: the risk control, valuation, compliance and internal audit function(s) or equivalent of the company.

Risk taker: An employee belonging to a category of staff who, in the course of their duties, can exercise a significant influence over the Company's risk profile; this normally refers to employees who can enter into contracts or take positions on behalf of the Company, or otherwise influence the Company's risk.

Specially regulated staff: the executive management and employees of the following categories of staff identified by the undertaking as specially regulated staff:

- employees in senior strategic positions,
- employees responsible for control functions,
- risk takers, and
- employees whose total remuneration equals or exceeds the total remuneration of any member of the executive management.

Variable remuneration: remuneration that is not fixed in advance in terms of its amount or level. Variable remuneration does not include commission-based remuneration that is unrelated to future risk commitments that may change the profit and loss account or balance sheet of the undertaking or an alternative investment fund.

Executive management: the CEO of the company and his deputy, as well as other members of the company's management team or similar bodies directly responsible to the board of directors or the CEO.

3 BASIC ANALYSIS ISSUES RISKS WITH THE COMPANY'S REMUNERATION POLICY AND SYSTEM

The regulations state that the Company shall analyse the risks associated with its remuneration policy and system. On the basis of the analysis, the Company shall identify specifically regulated staff of the Company.

As part of the analysis, the Company has documented and specifically justified whether employees in senior strategic positions, employees with responsibility for control functions, risk takers, and employees whose total remuneration amounts to, or exceeds, the total remuneration of any member of the executive management.

At present, there is no employee in the company whose total remuneration equals or exceeds the total remuneration of any member of the executive management. Full-time employees of the company receive a fixed salary and the usual occupational pension.

Variable remuneration based on individual performance and discretionary pension benefits do not currently exist.

It is the responsibility of the CEO to carry out the above analysis each year and present a written report to the Board. In the case of new staff recruited during the year, the CEO shall ensure that an assessment is made of whether the new recruit should be included in the group of specially regulated staff and, in case of doubt, submit the matter to the Board for decision.

Based on the CEO's analysis, the company's Board of Directors has decided that all employees should be considered as specially regulated staff according to the legal definition above.

4 OF THE COMPENSATION POLICY COMPATIBILITY WITH THE INTEGRATION OF SUSTAINABILITY RISKS

In accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council (the "Disclosure Regulation"), the Company shall include information in this remuneration policy on how it is consistent with the integration of sustainability risks and publish this information on the Company's website.

A sustainability risk is, according to Article 2(22) of the Disclosure Regulation, an environmental, social or governance event or circumstance that, if it were to materialise, would have an actual or potential significant negative impact on the value of the investment.

As all employees of the Company receive only fixed remuneration that is not linked to the value of the Company's investments, the remuneration model is consistent with the Company's integration of sustainability risks.

5 REMUNERATION OF CONTROL FUNCTIONS

The control functions of the Company are outsourced to external contractors. Remuneration is agreed in advance and is not affected by the performance of the Company.

6 GOVERNANCE AND CONTROL

The Board of Directors shall decide on the fixed and, if the Company chooses to introduce it, variable remuneration of specifically regulated staff, while the CEO, or the person to whom he or she has delegated the responsibility, shall decide on the fixed remuneration of staff not included in the circle of specifically regulated staff.

In light of the Company's size, the Company's internal organisation and the nature, scope and complexity of its operations, the Company's assessment is that there is no need to form a separate remuneration committee. Instead, it is the responsibility of the Board of Directors to appoint a member with specific responsibility for preparing Board decisions on remuneration and measures as set out above. The Company has appointed the Chairman of the Board as the person responsible for preparing the decisions. In this assessment and evaluation process, the Risk Management Function and the Compliance Function shall be involved.

In addition, the member appointed by the Board shall, at least annually, in consultation with the compliance function, carry out an independent assessment of the Company's remuneration policy and system. This assessment shall examine whether the Company's remuneration system complies with the remuneration policy. The compliance function shall report the results of the review to the board.

In the case of decisions that would involve a conflict of interest for an employee or board member, the person must abstain from participating in the decision. This may apply, for example, to decisions on personal remuneration or decisions on business transactions where a conflict of interest is deemed to exist.
