

## 2019 statement concerning the Fund Management Company's exercise of voting rights

**The guidelines of the Fund Management Company (SEB IM AB, hereinafter 'SEB') with respect to shareholder accountability and exercise of voting rights stipulate that:**

- Where *technically feasible and defensible from a shareholder governance standpoint*, **voting rights will be exercised** whenever the **funds' overall holdings** of a company either **make up a considerable share of the votes** of the company in question or account for a **significant share of the overall value** of the funds.
- Normally, the funds exercise their right to vote if the funds' **overall ownership amounts to at least 1% of the votes** of a specific company *or* the **overall value of the funds' holdings exceeds SEK 1 billion**. Moreover, voting is employed as a part of the Company's advocacy initiatives where we strive to increase returns for our unitholders through our corporate governance activities.
- For Swedish companies, we participate in the Annual General Meetings (AGMs) whenever we have representation on a specific company's nominating committee. In addition, where we hold a significant ownership stake, we attend the meetings of as many companies as resources permit.

### Swedish Annual General Meetings

In 2019, SEB IM AB **participated in 63 Swedish AGMs**. With a few exceptions, we have **voted in line with the proposals of the Boards of Directors and nominating committees**. The companies where we voted against the board this year include Oasmia Pharmaceuticals, where we voted against the re-election of board members as we felt that the company's future prospects would benefit from a change. In addition, we voted against a waiver of personal liability for the Managing Director of Swedbank as well as against the re-election of the Chairman of the Board of Vostok New Ventures, who we felt had granted bonuses to the CEO in an exorbitant amount that was far above the bounds of the company's remuneration policy.

### Foreign Annual General Meetings

We voted via representation, proxy voting, at **202 foreign company AGMs**. **57% of our votes were against the boards' proposals with respect to at least one item**. The most common issues where we *voted against the boards included: the choice of a combined CEO and Chairman; management compensation; and long-term profit-sharing plans with inadequately low qualification requirements*. We also voted in favour of a number of shareholder proposals that boards recommended shareholders vote against. Examples of these include requirements for reporting on lobbying activity and political donations as well as proposals expanding the opportunity for shareholders to nominate candidates to the board (proxy access).

When voting at foreign companies, SEB IM AB receives assistance from an adviser who provides voting recommendations based on SEB's Voting Policy, Sustainability Policy and Principles for Shareholder Accountability. In each individual case, SEB's corporate governance team evaluates the voting recommendations and then reaches a decision on how the funds should vote.