

## **STATEMENT ON REMUNERATION OF EXECUTIVE MANAGEMENT**

The Board of Directors makes the following statement regarding remuneration of the executive management in accordance with the public limited liability companies act section 6-16a:

### **Advisory guidelines for the year 2019**

The Board of Directors shall determine the remuneration of the CEO. The CEO determines the remuneration of the other members of the executive management within the frames drawn up by the Board of Directors. The fixed salary shall be competitive, but not market leading, and shall reflect the responsibility areas, skills and performances of each individual. In addition to fixed salary, remuneration of the executive management may include customary benefits in kind, such as mileage allowance, company vehicle, telephone and broadband bills, newspapers etc.

In the event that the Board of Directors terminates the employment contract of the CEO, the CEO has a right to receive a termination payment corresponding to 9 months of salary. The termination payment does not grant the CEO any pension points.

The Company offers its employees all pensions- and insurance schemes as required by law and in compliance with all statutory provisions, as well as some non-statutory schemes.

The Company has established the following pension- and insurance schemes for the employees:

- Contributory pension

*The Company provides a contribution of 6% on salaries ranging between 0 - 7.1G and 10% on salaries ranging between 7.1G - 12G. In addition, the Company covers all risk insurance covering occupation disability and disability pensions with child allowance.*

- Supplementary insurance

*All employees are covered by group life insurance, accident insurance, insurance for prolonged illness and travel insurance*

The Company shall have flexibility to offer bonuses limited to half of the respective manager's executive salary, to be paid out if specific targets as determined by the Board of Directors have been met.

### **Statement on remuneration of executive management in previous accounting year**

The remuneration policy in 2018 has complied with the provisions set out in chapter 15 of the Financial Institutions Act with regulations.

In connection with the commencement of the bank business in June 2018, the Company established a share option scheme for the members of the executive management. Under the share option scheme, participants may exercise options pro rata over the course of 3 years. The first exercise date for options granted in 2018 will be after the Ordinary General Meeting to be held in 2019.

Information regarding remuneration for members of the executive management in 2018 is set out in note 15 in the 2018 annual accounts.

The Board of Directors is of the opinion that the agreements entered into in 2018 regarding remuneration are in the interest of the Company and the shareholders.