



Remuneration Policy Version 1.2

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Approved by	Author/Owner
Board of Directors / Annual General Meeting	Executive Management

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1. Objective

The Remuneration Policy lays down guidelines in terms of remuneration which are consistent with, and promote a gender neutral remuneration, a sound and efficient risk culture, and which does not encourage excessive risk taking.

The objective is also to ensure that the remuneration policy is in line with the bank's business model, goals, values and long-term interests, including that the remuneration of the bank's employees complies with current legislation in general, and legislation concerning the protection of the bank's customers and investors in particular.

The policy is tailored to the size and complexity of the Bank's organisation and its business model.

2. Related regulation

The Remuneration Policy is prepared in accordance with the Financial Business Act and the Executive order on remuneration for financial institutions.

3. Roles and responsibilities

Board of Directors

The Board of Directors shall ensure that the Remuneration Policy is explicitly approved at the General Meeting of the Bank.

The Board of Directors shall review and control the Remuneration Policy regularly and at least once a year in order to make sure that the Bank's remuneration is compliant with the policy and the policy is always adapted to the development of the Bank and the current legislation.

The Board of Directors shall ensure that the Remuneration Policy does not compromise the independence of the Chief Risk Officer ("CRO") nor the Head of Compliance, and thus the Bank shall only award these functions with variable remuneration by decision of the Board of Directors.

The Board of Directors shall set out the guidelines for the Executive Management's control in this policy and shall review reporting from the Executive Management. The Board of Directors are responsible for the execution of the remuneration policy.

Employees who monitor compliance with the Remuneration policy shall be independent of the departments in the bank over which they monitor.

Executive Management

The Executive Management shall ensure that the bank complies with the principles of the Remuneration Policy and thus implement the policy.

The Executive Management shall report on the remuneration to the Board of Directors according to the control principles set out by the Board of Directors in this policy.

4. Review frequency

This policy must be reviewed and updated minimum once a year.

5. Scope

The material risk takers of the bank and all other employees are in-scope for this Remuneration Policy.

The Board of directors have identified the following Material Risk Takers:

- CFO/Treasurer
- Chief Risk Officer (CRO)
- Head of Credit
- AML Officer
- Compliance Officer
- Members of the Executive Management
- Members of the Board of Directors

The secretary of the Board of Directors keeps an updated list of the names of the persons currently holding those roles. The list shall be updated at least annually.

6. Remuneration

6.1 Remuneration definition and types of remuneration

The bank's definition of remuneration includes contribution to a pension scheme and all other related remuneration accessories.

The types of remuneration offered are:

- Fixed remuneration
 - Cash
 - Shares and/or Warrants
 - Pension

- Allowances
- Other benefits (company car, news papers, phone etc.)
- Variable remuneration
 - Shares and/or Warrants
 - Cash

6.2 Remuneration principles

The bank wishes to offer a competitive remuneration package to its employees, in order to attract and retain the very best talent possible which are required to execute the business plan successfully.

The specific remuneration is agreed individually with each of the bank's employees, considering the role, competencies, experience and performance.

Variable remuneration shall be used to encourage and award contributions to the long-term and sustainable performance of the Bank, whether awarded in the form of shares, warrants or cash.

Awarding variable remuneration shall be based on both the general performance of the bank, the performance of the employee's department and/or the personal performance of the employee. The personal performance evaluation, if applicable, shall be based on both the employee's achieved results as well as the employee's team behaviour and general behaviour towards the bank in terms of ability and willingness to cooperate, uphold the bank's sound company culture and conformity with the bank's procedures.

The bank can award severance pay in case it is deemed appropriate, however no more than equivalent to 24 months' remuneration.

On and off boarding fees are granted only by exception and shall be in accordance with the executive order on remuneration policy in financial businesses.

6.3 Board of Directors

The Board of Directors shall be remunerated with a fixed compensation and may also be remunerated with variable remuneration, cf. clause 6.1.

The variable remuneration cannot exceed 50% of the fixed remuneration.

Variable remuneration is always assigned within the limits in the Financial Business Act 77a, including sec. 77a, sub.sec. 1, no 1, and other relevant regulations. This covers the rules on deferred payments and claw back as specified in sec. 77a, sub.sec. 1, no 5 and claw back or cease payment according to sec. 77a, sub.sec. 4 and/or 5.

6.4 Executive Management

The Executive Management shall be remunerated with a fixed salary and may also be remunerated with variable remuneration cf. clause 6.1

The variable remuneration cannot exceed 50% of the fixed remuneration.

Variable remuneration is always assigned within the limits in the Financial Business Act §77a, including sec. 77a, sub.sec. 1, no 1, and other relevant regulations. This covers the rules on deferred payments and claw back as specified in sec. 77a, sub.sec. 1, no 5 and claw back or cease payment according to sec. 77a, sub.sec. 4 and/or 5.

6.5 Material risk takers besides Board of Directors and Executive Management

Material risk takers may receive both fixed and variable remuneration. Variable remuneration, cf. clause 6.1.

The variable remuneration for material risk takers can not exceed 100% of the fixed remuneration.

In order to ensure the independence of the Head of Compliance Officer and the Chief Risk Officer, these functions may only be rewarded with variable remuneration by decision of the Board of Directors.

Upon approval from the shareholders of the bank at a general meeting the variable remuneration may be up to 200% of the fixed remuneration. The procedure for approval on a general meeting of variable remuneration over 100% and up to 200% of the fixed remuneration as described in the Financial Business Act sec. 77a, sub.sec. 1, no 3, a)-c) shall be observed in such cases. This includes approval by the general meeting with a qualified majority as described in sec. 77a, sub.sec. 1, no 3.

Variable remuneration is always assigned within the limits in the Financial Business Act § 77a, including sec. 77a, sub.sec. 1 no 2 and 3 and other relevant regulations. This covers the rules on deferred payments and claw back as specified in sec. 77a, sub.sec. 1, no 5 and claw back or cease payment according to sec. 77a, sub.sec. 4 and/or 5.

6.6 Employees in control functions

Employees in 2. line control functions may receive both fixed and variable remuneration. The variable remuneration component may not depend on the result in the department which the employee controls. Employees in control functions with managerial responsibility are considered Material Risk Takers.

6.7 Other employees

Other employees shall receive fixed remuneration incl. a contribution to a pension scheme.

It is at the Executive Management's discretion to appoint a limited number of Key Employees and remunerate them individually with the types of remuneration mentioned in 6.1 n.

7. Publication

The content of this remuneration policy will be publicly available on the bank's website.

8. Reporting

The Executive Management

Annually, the Executive Management shall prepare relevant documentation to the Board of Directors in order for the Board of Directors to assess that paid remuneration complies with the Remuneration Policy and relevant legislation and regulation.

The annual reporting shall, as a minimum, include:

- Remuneration paid and committed to Executive Management
- Remuneration paid and committed to employees who control the Bank's limits of risk taking
- Remuneration paid and committed to the Chief Risk Officer (CRO)
- Remuneration paid and committed to the Head of Compliance

Further, the reporting shall include a summary of the background for any variable remuneration awarded to material risk takers.

Chairman of the Board

The chairman of the Board of Directors shall, in the chairman's annual report to the general meeting, include reporting on which remuneration has been awarded to the Executive Management and the Board of Directors for the previous year as well as the expected remuneration for the coming year.

Version Control

Date	Version	Update	Reviewed by	Author/Owner
15-10-2018	1.0	Submission to Finanstilsynet		Head of Legal & Compliance / BoD
04-09-2019	1.1	Adjustments based on Finanstilsynets feedback		Head of Legal & Compliance / BoD
26-04-2021	1.2	Adjusted to reflect BEK 2169 "Bekendtgørelse om lønpolitik..." from 22-12-2020 and LBK "Lov om finansiel virksomhed" from 11-09-2020		CRO/ BoD
24-03-2022	1.3	Minor changes to reflect job-titles and an updated list of material risk takers	ExMa, CRO, Compliance, Head of Risk Management	Legal