



# Nordax Bank

*This is an unofficial translation of the corresponding Swedish document. In the event of any discrepancies between this document and the Swedish version, the latter shall prevail.*

## Evaluation of programs for variable remuneration pursuant to rule 10.3 of the Swedish Corporate Governance Code

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### Regulatory background

According to the Swedish Corporate Governance Code (the “Code”), all companies whose shares are listed on a regulated market in Sweden shall comply with certain rules regarding remuneration of the executive management;

- According to Code rule 9.1, the board of directors is to establish a remuneration committee, whose main tasks are to (i) prepare the board of director’s decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management, (ii) monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and (iii) monitor and evaluate the application of the guidelines for remuneration of the board of directors and executive management that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- According to Code rule 10.3, the board of directors is also to publish the results of the evaluation required by Code rule 9.1 points two and three in the corporate governance section of the company’s website no later than three weeks before the annual general meeting.

### The Remuneration Committee

The Board of Directors of Nordax Group AB (publ) has established a Remuneration Committee, the main tasks of which include, among other things, preparing the Board of Directors’ decisions concerning principles for remuneration, as well as decisions on fixed and variable remunerations and other terms of employment for the Chief Executive Officer (“CEO”) and each other member of Nordax’s Executive Management Team and Business Management Team (jointly “the Management Team”). In addition, the main tasks of the Remuneration Committee include monitoring and evaluating programs for variable remuneration.

The Remuneration Committee consists of Andrew Rich (Chairman), Synnöve Trygg and Arne Bernroth.

### Evaluation of programs for variable remuneration – Rule 9.1 point 2

Variable remuneration to the CEO and the Management Team is offered through Nordax’s Management Incentive Plan (the “MIP”). The MIP was first introduced in 2015 and comprises both cash and equity based components. In preparation of the resolution to introduce the MIP, the Remuneration Committee evaluated different alternatives. As a result of the introduction of the MIP, all members of the Management Team were disqualified from participating in the group-wide cash based variable remuneration program.

The MIP is evaluated on a continuous basis throughout the year and the expected outcome is reported and discussed. The Remuneration Committee also monitors the employees’ participation in the MIP. The Board of Director’s decision on individual award under the



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MIP, as well as payment of previously awarded and deferred remuneration is prepared by the Remuneration Committee.

The Board of Director's view is that the MIP fulfils the function to attract and in the long run retain the most competent and committed employees. Furthermore, the MIP strengthens long-term commitment in the interests of the shareholders.

Based on the evaluation, it is proposed that the Annual General Meeting resolves on a MIP for 2016 which, in all material respects, is based on and follows the same structure as the MIP introduced in 2015. The Board of Director's complete proposal is available on Nordax's website.

### **Remuneration structure and levels of remuneration – Rule 9.1 point 3**

Nordax's remuneration structure is based on three main components: base salary, variable remuneration and pension and other benefits. The total remuneration reflects the complexity, the level of responsibility and competence required for every position as well as the individual employee's performance.

The Board of Directors' view is that the remuneration for the CEO and other members of the Management Team strikes an appropriate balance between motivating the executives and achieving a long-term, well-balanced and competitive remuneration.

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The Board of Directors in April 2016  
*Nordax Group AB (publ)*