

Nordax Bank AB (publ)

Information on remuneration 2017

According to the Swedish Financial Supervisory Authority's Regulations (FFFS 2014:12) and Regulation (EU) No 575/2013

Contents

| | | |
|------|--|---|
| I. | Background | 2 |
| II. | Remuneration | 2 |
| | GENERAL..... | 2 |
| III. | Remuneration 2017 | 3 |
| | AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION | 3 |

I. Background

This report is based on the regulatory disclosure requirements regarding remuneration set out in the Capital Requirements Regulation (Regulation (EU) 575/2013) and the Swedish Financial Supervisory Authority's (Finansinspektionen) regulations regarding prudential requirements and capital buffers (FFFS 2014:12).

Information in this report pertains to conditions as of 31 December 2017 for Nordax's consolidated situation.

Additional information on remuneration is provided on Nordax's website www.nordaxgroup.com and in the annual report.

Information on the Nordax Group

Nordax Bank (publ), referred to as Nordax in this report, is a Swedish banking company and a wholly owned subsidiary of Nordax Group AB (publ), the top company in the consolidated situation.

II. Remuneration

GENERAL

Remuneration policy

Nordax's remuneration policy encompasses all employees of the Nordax Group and sets out the principles for determining, applying and governing remuneration in the Nordax Group as well as the process for identifying categories of staff whose professional activities have a material impact on Nordax's risk profile.

The Board of Directors is responsible for adopting and maintaining the remuneration policy and for ensuring that the remuneration policy and structure are appropriately aligned with the overall corporate governance framework, risk culture and risk appetite. The Board of Directors shall take into account the input from all relevant business units (e.g. compliance, risk control and HR) and the Remuneration Committee on the design, implementation and oversight of Nordax's remuneration policy.

The Remuneration Committee proposes at least once a year a revised version of the remuneration policy for final adoption by the Board of Directors.

Risk analysis

Nordax periodically conducts and adopts a risk analysis in order to identify employees whose professional activities have a material impact on Nordax's risk profile, "material risk takers". The Board of Directors is responsible for approving the process for the risk analysis by adopting the remuneration policy.

The risk analysis is based on the qualitative and quantitative criteria stipulated in the Delegated Regulation (EU) No 604/2014 of 4 March 2014 and additional criteria that reflect Nordax's assessment of professional activities with a material impact on the risk profile.

Remuneration

Nordax offers fixed and variable remuneration, in accordance with the current remuneration policy. Fixed remuneration includes a base salary and routine employment packages. Variable remuneration includes a bonus paid by way of Nordax's bonus programs, commission-based salary and severance pay.

Fixed remuneration

Base salaries are market oriented, competitive and high enough to ensure that any variable remuneration can be reduced to zero if possible. The criteria for determining base salary include professional experience, current market conditions, degree of difficulty, responsibility and authority as regards the position, and individual performance. An employee's individual performance is evaluated based on performance goals set by the

employee's manager and, on a general level, the employee's ability to collaborate, take initiative and act in accordance with Nordax values.

Variable remuneration

Variable remuneration is offered to members of senior management team and other employees, mainly through Nordax's established incentive and bonus programs.

Nordax does not offer any guaranteed variable remuneration and the variable remuneration component for any employee shall not exceed 100% of the fixed component of the total remuneration.

Members of senior management are offered variable remuneration through Nordax's long-term Management Incentive Plan ("MIP") comprising both cash and share-based components.

The individual variable remuneration offered to senior management through MIP is based on pre-determined and documented assessment criteria. These criteria adapt the variable remuneration to (i) individual performance, (ii) the result of the relevant business unit, and (iii) Nordax's overall business result. In assessing individual performance, both financial and non-financial criteria are used. The assessment criteria are also designed to consider the interests of shareholders, customers, investors and other stakeholders.

The MIP comprises the following remuneration components: 40% of the variable remuneration is paid out in cash in the same year that the decision to award the remuneration is made; 60% of the variable remuneration is deferred for 3 years or, as regards the CEO, 5 years (the qualifying period), in the form of rights to future allotments of shares ("restricted share unit"). The deferral takes place each year in connection with the payment of cash variable remuneration. After the qualifying period, restricted share units are converted to shares. One (1) restricted share unit is eligible for one (1) share. If employment is terminated, the right to all deferred variable remuneration as a rule ceases when the participant is no longer employed.

Before the conversion of restricted share units to shares after the qualifying period and payment to the participant, the Board of Directors – or, if it decides, the Remuneration Committee and/or the Risk Committee – will assess the need to reduce the number of shares that are allotted, or to completely forgo the payment of variable remuneration (ex post risk assessment).

Other employees are offered variable remuneration up to a maximum of two months' salary, through Nordax's cash bonus program ("CBP"). The CBP is designed to consider the overall business performance of Nordax as well as shareholders, savings customers, investors and other stakeholders.

Variable remuneration to material risk takers are based on pre-determined and documented performance criteria. These criteria align the variable remuneration to (i) individual performance, (ii) the result of the relevant function, and (iii) Nordax's overall business result. In assessing individual performance, both financial and non-financial criteria are used.

Variable remuneration to material risk takers whose total variable remuneration in one year amounts to at least SEK 100,000 shall be deferred for at least three to five years before it is paid out or is transferred to the employee.

Remuneration Committee

In order to fully discharge its responsibilities as regards remuneration, the Board of Directors has established a Remuneration Committee. The Remuneration Committee consists of three non-executive directors who are not employed by the company. All members of the Committee are members of the Board of Directors. During 2017, the Remuneration Committee held three meetings.

The main tasks of the Remuneration Committee are to prepare the Board of Directors' decisions on remuneration principles at Nordax, fixed and variable remuneration, and other terms of employment for the CEO and the management team. The Remuneration Committee also assists the Board of Directors by ensuring that the remuneration systems are in compliance with applicable laws and regulations and preparing decisions on remuneration guidelines that the annual general meeting is legally obliged to establish.

III. Remuneration 2017

AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION

In 2017, no employee received remuneration amounting to or exceeding EUR 1 million. Three employees have received severance pay during 2017, the severance pay has been paid in accordance with Nordax's remuneration policy.

| 31 December 2017, TSEK | Executive management | Other material risk takers | Other employees | Total |
|---|----------------------|----------------------------|--------------------|----------------|
| Fixed remuneration paid out for the financial year 2017 | 13,000 | 10,786 | 81,683 | 105,469 |
| Variable remuneration paid out for the financial year 2017 | 3,416 | 2,685 | 7,104 | 13,206 |
| Total remuneration (fixed and variable) paid out for the financial year 2017 | 16,417 | 13,471 | 88,787 | 118,675 |
| Total deferred variable remuneration that has not yet fallen due for payment | 5,776 | 2,773 | 1,005 ¹ | 9,554 |
| Number of employees (FTEs and Temps) | 11 | 8 | 173 | 192 |

¹ Comprises employees or certain former employees who were previously material risk takers