

Nordax Bank AB (publ)

Information regarding remuneration 2014

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

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I. Background

This report is based on the regulatory disclosure requirements regarding remunerations 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 2014 for Nordax Consolidated Situation. Additional information on remuneration is provided on Nordax's website www.nordax.se and in the annual report.

II. Remuneration

GENERAL INFORMATION

Remuneration Policy

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

The Board of Directors of Nordax are responsible for adopting and maintaining the remuneration policy, and for ensuring that the remuneration policy and remuneration practices are appropriately aligned with the overall corporate governance framework, risk culture and risk appetite. The Board of Directors shall take into account the input provided by all competent business units (e.g. control functions, human resources, legal) and the Remuneration Committee about the design, implementation and oversight of the Bank's remuneration policy.

The Remuneration Committee proposes a revised version of the remuneration policy, with input from human resources and compliance, for final adoption by the Board at least annually.

Remuneration structure

Remunerations at Nordax are either fixed or variable. Fixed remuneration includes base salary, routine employment packages and commission-based salary. Variable remuneration includes bonus paid by way of Nordax bonus program and, when applicable, severance pay.

The amount of fixed remuneration shall be sufficiently high in order to ensure that the reduction of the variable remuneration down to zero would be possible. Employees shall not be dependent on the award of variable remuneration. The variable remuneration component for any employee shall not exceed 100 % of the fixed component of the total remuneration.

The criteria for determining base salary to an employee shall include professional experience, current market conditions, degree of difficulty, responsibility and authority with regards to the position, as well as individual performance. An employee's individual performance shall be evaluated based on performance goals set by the employee's manager and, on a general level, the employee's abilities to collaborate, take initiatives, and act in accordance with Nordax values.

Variable remuneration is offered by way of a bonus program encompassing all employees. The bonus program is primarily established to increase employee motivation, focus employees'

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 Holding AB which, in turn, is a wholly-owned subsidiary of Nordax Group Holding AB. The top company in the consolidated situation is Nelson Luxco Sarl.

Nordax Bank (publ) is the only company in the consolidated situation with employees.

efforts on key objectives, retain key employees and encourage appropriate incentives for long-term oriented and prudent risk taking.

The criteria used as basis for bonus to Identified staff shall be pre-determined and documented. In order to ensure that bonus to Identified staff is risk-adjusted, such criteria shall *inter alia* include the Identified staff's individual performance, the result of the relevant business unit and the overall business result of Nordax. In assessing individual performance, both financial and non-financial criteria shall be considered.

Variable remuneration to Identified staff 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 passed over to the employee. Deferred variable remuneration shall be paid out once a year averaged over the duration of the deferral. The first payment may not be made until one year after the decision on the variable remuneration.

Remuneration Committee

The principal duty of the Remuneration Committee is to support the Board of Directors in its work in ensuring that the risks associated with Nordax's remuneration system are identified, handled and reported. The Remuneration Committee also assists the Board of Directors by establishing principles regarding remuneration at Nordax, preparing remuneration matters to be decided upon by the Board of Directors, and ensuring that the remuneration systems are in compliance with applicable laws and regulations. The Remuneration Committee consists of four non-executive directors. All members of the Committee must be members of the Board of Directors. During 2014, the Remuneration Committee has had 4 meetings.

Nomination Committee

The principal duty of a Nomination Committee is to propose decisions to the Annual General Meeting on the election of ordinary members of the Board of Directors, in order to ensure that the Board of Directors is composed in a manner to be able to discharge its responsibilities, also with regards to succession, and to promote the interests of the shareholders. A Nomination Committee further identifies and proposes qualified and experienced candidates and ensures appropriate succession planning for the Board of Directors, giving due consideration to any other legal requirements regarding composition, appointment or succession. A Nomination Committee should see to that the composition of the Board of Directors is diversified in relation to gender, age, geographical provenance and educational and professional background.

III. Remuneration outcome 2014

AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION

No employee has received remuneration amounting to or exceeding EUR 1 million. Nordax does not offer any guaranteed variable remuneration and variable remuneration shall only be

paid in cash and cannot consist of shares, share-linked instruments or other financial instruments.

Aggregate quantitative information on remuneration	All employees	
Total remuneration (fixed, variable and paid out deferred variable remuneration) for the financial year 2014	93 836	
<i>Number of employees(FTEs and Temps)</i>	212	
Aggregate quantitative information on remuneration, broken down by senior management and other Identified staff	Senior management	Identified staff (excluding senior management)
Fixed remuneration paid out for the financial year 2014	25 818	13 764
Variable remuneration awarded for the financial year 2014	8 893	2 158
Variable remuneration paid out for the financial year 2014	3 557	1 788
The amounts of deferred remuneration paid out during 2014	890	0
The amounts of outstanding deferred remuneration	11 286	350
<i>Number of employees</i>	22	30