



Nordax Bank

2015

INFORMATION REGARDING REMUNERATION

Nordax Group AB (publ)

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

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 2015 for Nordax consolidated situation.

Additional information on remuneration is provided on Nordax's website www.nordaxgroup.com and in the 2015 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 Holding AB which, in turn, is a wholly-owned subsidiary of Nordax Group Holding AB. The top company in the consolidated situation is Nordax Group AB (publ).

Remuneration

Remuneration Policy

Nordax remuneration policy encompasses all employees of the Nordax Group and sets out the principles for determining, applying and governing remuneration within 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 are responsible for adopting and maintaining the remuneration policy, and for ensuring that the remuneration policy and remuneration 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 provided by relevant business units and the Remuneration Committee about the design, implementation and oversight of Nordax's remuneration policy.

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

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 provided for in the Delegated Regulation (EU) No 604/2014 of 4 March 2014 and additional criteria that reflects Nordax's assessment of professional activities having a material impact on the risk profile.

Remuneration structure

Nordax remuneration of its employees is either fixed or variable remuneration; there is no third category of remuneration. Fixed remuneration includes base salary and routine employment packages. Variable remuneration includes bonus paid by way of Nordax bonus programs, commission-based salary and severance pay.

Fixed remuneration

Base salaries are market oriented, competitive and sufficiently high to ensure that the reduction of any variable remuneration down to zero is possible. The criteria for determining base salary includes inter alia professional experience, current market conditions, the degree of difficulty, responsibility and authority with regards to the position; as well as individual performance. An employee's individual performance are 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

Variable remuneration is offered through Nordax's bonus programs or through commission-based salary. The management incentive plan comprises both cash and share award components. The cash bonus program comprises only a cash bonus component. The bonus programs are designed to consider the overall business performance of Nordax, and the interests of shareholders, customers, investors and other stakeholders.

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.

Variable remuneration to material risk takers are based on pre-determined and documented performance criteria. Such criteria align the variable remuneration to the 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 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 passed over to the employee.

Remuneration Committee

In order to fully discharge its responsibilities with regards to remunerations, the Board of Directors has established the Remuneration Committee. The Remuneration Committee consists of three non-executive directors. All members of the Committee are members of the Board of Directors. During 2015, the Remuneration Committee had four meetings.

The main tasks of the Remuneration Committee is to prepare the Board of Director's decisions on principles regarding remuneration at Nordax, fixed and variable remunerations 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 guidelines for remuneration that the annual general meeting is legally obliged to establish.

Remuneration outcome 2015

AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION

31 December 2015, TSEK	Executive management	Other material risk takers	Other employees	Total
Fixed remuneration paid out for the financial year 2015	12,369	13,711	61,395	87,475
Variable remuneration paid out during the financial year 2015	1,200 ¹	1,970 ¹	1,327 ²	4,497
Deferred variable remuneration from previous years paid out during 2015	731	796	0	1,527
Total remuneration (fixed and variable) paid out during 2015				93,499
Variable remuneration awarded for the financial year 2015	4,018	3,382	3,044	10,444
Outstanding deferred variable remuneration that has not yet fallen due for payment	4,042	5,112	0	9,154
Number of employees (FTEs and Temps)	7	12	160	179

¹ Non-deferred portion of variable remuneration awarded for the financial year 2014 paid out in February 2015

² Refers only to provision-based salary paid out during 2015

No employee has received remuneration amounting to or exceeding EUR 1 million. No employee has received severance pay during 2015.