



# Report on remuneration to senior executives for 2021

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SPAREBANK 1 ØSTLANDET

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## 1 Introduction

The Remuneration Scheme at SpareBank 1 Østlandet is an important strategic long-term instrument for retaining and attracting skilled and competent managers.

Guidelines for the determination of remuneration to senior executives of SpareBank 1 Østlandet were revised in 2021 and adopted by the Bank's Supervisory Board on 25 March 2021. The guidelines are laid down in accordance with Section 6-16 a. of the Norwegian Public Limited Liability Companies Act, as well as the Regulations on guidelines and reporting of remuneration to senior executives, and are based on the main principles of SpareBank 1 Østlandet's Remuneration Scheme.

Pursuant to the Regulations, senior executives are here defined as the CEO/Group CEO and members of the Group CEO's management team.

## 2 SpareBank 1 Østlandet's result for 2021

In 2021, SpareBank 1 Østlandet achieved a consolidated profit after tax of NOK 2,022 million, compared with NOK 1,608 million in 2020. The return on equity for 2021 was 11.6 per cent, compared to 10.1 per cent for 2020, and the Board of Directors proposes to pay out 50 per cent of the majority's share of the consolidated profit as dividend to owners and customers (dividend for 2021 is subject to adoption by the bank's Supervisory Board on 29 March 2022).

2021 was a very successful year for SpareBank 1 Østlandet, and despite another year with the coronavirus pandemic and challenges in certain sectors, most of the bank's retail and corporate customers in Eastern Norway have remained optimistic and willing to invest. This is reflected in the bank's excellent profit for the year, which for the first time ever exceeds NOK 2 billion for the Group.

There was a great influx of customers again in 2021, which contributed to the total growth in lending by 7.7 per cent in the past 12 months. Growth in lending to corporate customers increased sharply compared with the year before, with growth of 11.1 per cent. The retail market also saw strong growth, at 6.6 per cent in 2021. The deposit growth in the Group was favourable at 7.7 per cent. The corporate market also saw solid growth in this respect. Underlying banking activities achieved sound improvements in results in 2021, with volume growth in several business areas, stronger net interest income and continued good commission income from wholly owned subsidiaries and joint ventures and associated companies. The losses for the year as a whole were very low, at NOK 5 million. Among other things, the Group reversed individual provisions for credit losses amounting to NOK 25 million.

At the close of the year, the CET1 capital ratio was 18.0 per cent. This is well above the regulatory requirement of 14.3 per cent.

See Table 6 showing SpareBank 1 Østlandet's results for the period from 2017 to 2021.

## 3 General information about remuneration to senior executives

The guidelines are based on the Remuneration Scheme, which is an important strategic instrument to support the business' financial goals, brand strategy, risk tolerance and long-term interests. The Remuneration Scheme provides the basis for the business' organisation of its pay and incentive systems, and for how its resources must be managed and distributed to all employees, including senior executives.

The business' long-term focus on development and value creation is reflected in the Remuneration Scheme, which is based on a fixed salary as the most significant component for all employee categories. In line with this principle, no types of special incentive schemes or administrative schemes have been established for senior executives. At the same time, good performance over time should be reflected in competitive pay development.

The overall compensation arrangements must help ensure that the Group is competitive in our market area, although not a pay leader. The level of pay must reflect the individual manager's duties, responsibilities and competence, as well as performance and conduct demonstrated over time that contributes to the achievement of the Group's strategic objectives.

Assessments of the mechanisms for, and levels of, the total remuneration of senior executives must, insofar as this is appropriate, be based on objective data and analyses that can be obtained from official data, industry statistics and other available information that is relevant for various areas of the Group and various job categories. Equal pay and anti-discrimination considerations must be addressed as part of these assessments.

### 3.1 Components of executive remuneration

#### Fixed salary

The Group CEO's and management team's fixed salaries are normally assessed and adjusted annually. The Board of Directors sets the Group CEO's salary after an annual evaluation by the Board of Directors and prior consideration by the Group's Remuneration Committee. The CEO assesses the salaries of the Group's senior management and briefs the Remuneration Committee on the assessments and recommendations before making a decision.

#### Pensions

Senior executives are members of the business' ordinary defined contribution pension scheme, with earning of pension rights for salaries up to 12G. For those who were members of the earlier defined benefit pension scheme at the time it was closed, compensation has been provided for the transition from a defined benefit to a defined contribution pension scheme, based on the same general rules that apply to other employees.

The CEO of SpareBank 1 Østlandet has an agreement on possible early retirement from the age of 62. If the company decides to exercise the option of early retirement, the company will pay an annual early retirement pension that amounts to 70 per cent of the applicable fixed salary on the retirement date. Should the CEO wish to retire between the ages of 62 to 67, the company will pay an annual early retirement pension that amounts to 60 per cent of the applicable fixed salary on the retirement date. Early retirement pensions that are being paid, including previous adjustment supplements, must be adjusted upwards on 1 May each year by the percentage increase in the National Insurance Scheme's basic amount (G). From age 67 to 77, a service pension equivalent to 5.47 times the National Insurance Scheme's basic amount (G) has been agreed in addition to the company's ordinary defined contribution scheme, in which the ceiling for pensionable income is 12 G. Law Firm Storeng, Beck & Due Lund has assessed this scheme to be moderate. It does not deviate from an assumed norm, and also corresponds to that adopted by the state authority for executives in equivalent senior executive positions.



## Board remuneration

Section 9-4 of the Financial Institutions Act regulates “Remuneration from parties other than the financial institution” – including executive personnel who hold board positions in the Group’s subsidiaries or within SpareBank 1 Gruppen or the Alliance. Employees who hold board positions in other companies in the Group or a company included in SpareBank 1 Gruppen or the Alliance are eligible for the usual remuneration for such positions. It is a prerequisite that the remuneration is paid by the relevant company.

## Other employee schemes

Senior executives are covered by the same employee schemes as other employees. The main material employee benefits are various group insurance schemes, favourable lending terms and equity-capital certificate based savings programmes. For some employees/categories of position, a car scheme may be approved following a specific assessment of their work-related needs. However, no special administrative schemes have been established for the people covered by these guidelines.

No form of bonus scheme or variable pay system beyond possible one-off supplements as described in the Remuneration Scheme are offered. If one-off supplements are to be granted to senior executives, this must be adopted by the Board of Directors. No one-off supplements were paid to senior executives in 2021. On this basis, no obligations to consider bonuses for senior executives of the bank will be established either. There are no incentive schemes or obligations related to share value based remuneration that benefit executive personnel or elected officers.

The Group does not use sign-on fees.

For vulnerability and competitive reasons, an extended period of notice of 6 months is agreed with executive vice presidents, albeit without other special rights or obligations.

### 3.2 Establishment, revision, compliance and follow-up of the guidelines

Guidelines for the determination of remuneration to senior executives are adopted by the Supervisory Board, and amendment proposals are presented to the Supervisory Board after prior consideration by the Board of Directors.

The Remuneration Committee is a preparatory body that assists the Board of Directors in its work to assess whether the Remuneration Scheme's practice is satisfactory. On an independent basis, the Remuneration Committee must undertake an annual assessment of the main principles and strategy for compensation of the Group's senior executive team. They must also assess any proposed changes to principles and concepts concerning salary and compensation for senior executives, as well as terms of employment and pay conditions for the CEO.

The executive personnel covered by the guidelines are ineligible to serve as board members of the Group. Nevertheless, should conflicts of interest arise, the Board of Directors has adopted a specific policy that governs how such situations must be dealt with.

Annual reports in line with the Regulations and guidelines will be presented to the Supervisory Board.

### 3.3 Remuneration of senior executives for 2020 og 2021

The table below shows the remuneration that previous, current and future senior executives have received during 2020 and 2021.

Table 1 - Payroll expenses and payments to group management (In 1 000 NOK)														
Name of group management, position	Year	1		2		3	4	5	6		7		8	9
		Fixed salaries and other remunerations		Variable remuneration		Extra-ordinary items	Pension costs	Total compensation	Share fixed and variabel remuneration		Board fees in subsidiaries <sup>1)</sup>	Loans	No. of equity capital certificates	
		Payroll	Other remuneration	One-year variable	Multi-year variable				Fixed	Variabel				Fees
Heiberg, Richard administrerende direktør	2021	4 610	125	0	0	0	149	4 884	100 %	0 %	813	506	107 724 <sup>2)</sup>	
	2020	4 545	136	0	0	0	152	4 832	100 %	0 %	649	271	102 538	
Bolstad, Geir-Egil direktør økonomi og finans	2021	2 809	168	0	0	0	173	3 150	100 %	0 %	677	9 247	38 955	
	2020	2 771	176	0	0	0	164	3 111	100 %	0 %	799	9 513	38 769	
Gisnås, Kari Elise konserndirektør	2021	2 445	40	0	0	0	166	2 652	100 %	0 %	439	5 512	3 241	
	2020	2 404	49	0	0	0	161	2 613	100 %	0 %	391	4 751	3 055	
Hoberg, Dag-Arne konserndirektør	2021	2 427	34	0	0	0	145	2 607	100 %	0 %	193	3 602	7 320	
	2020	2 384	36	0	0	0	143	2 564	100 %	0 %	202	3 496	7 134	
Kjendlie, Eldar dødsbo konserndirektør	2021	1 474	11	0	0	0	77	1 561	100 %	0 %	0	0	0	
	2020	2 109	41	0	0	0	149	2 299	100 %	0 %	190	2 746	6 564	
Mejlænder-Larsen, Espen konserndirektør	2021	1 979	153	0	0	0	161	2 293	100 %	0 %	30	6 184	6 494	
	2020	1 951	156	0	0	0	153	2 261	100 %	0 %	21	6 714	6 308	
Murud, Liv Krokan konserndirektør	2021	1 864	25	0	0	0	181	2 070	100 %	0 %	22	1 107	3 562	
	2020	1 660	29	0	0	0	172	1 861	100 %	0 %	0	1 191	3 376	
Nordheim, Vidar konserndirektør	2021	2 194	28	0	0	0	157	2 379	100 %	0 %	0	2 838	5 246	
	2020	2 158	36	0	0	0	152	2 346	100 %	0 %	0	2 647	5 060	
Stenseth, Siv konserndirektør	2021	2 082	32	0	0	0	172	2 286	100 %	0 %	0	3 177	3 531	
	2020	2 113	42	0	0	0	166	2 322	100 %	0 %	0	3 056	3 055	
Wedvik, Hans Olav konserndirektør	2021	2 420	34	0	0	0	150	2 604	100 %	0 %	295	20 446	3 241	
	2020	2 382	46	0	0	0	144	2 572	100 %	0 %	255	19 461	3 055	
Ørbæk, Elin B. konserndirektør	2021	2 078	41	0	0	0	188	2 307	100 %	0 %	50	3 424	1 788	
	2020	2 042	44	0	0	0	182	2 268	100 %	0 %	25	3 899	1 602	

<sup>1)</sup> Fees for board positions in companies in the same group or in the SpareBank 1 - alliance

<sup>2)</sup> Also includes EC's owned through Richard Heiberg Invest

### 3.4 Remuneration of senior executives for the period from 2017 to 2021

The table below shows the remuneration that previous, current and future senior executives have received for the period from 2017 to 2021. The table also shows annual changes in the total remuneration.

	Total compensation pr year					Change in %				
	2017	2018	2019	2020	2021	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Heiberg, Richard administrerende direktør	6 133	4 497	4 685	4 832	4 884	n/a	-26,7	4,2	3,1	1,1
Bolstad, Geir-Egil direktør økonomi og finans	2 810	2 923	3 009	3 111	3 150	n/a	4,0	3,0	3,4	1,3
Gisnås, Kari Elise konserndirektør	2 228	2 416	2 518	2 613	2 652	n/a	8,4	4,3	3,8	1,5
Hoberg, Dag-Arne konserndirektør	2 254	2 415	2 487	2 564	2 607	n/a	7,2	2,9	3,1	1,7
Kjendlie, Eldar dødsbo konserndirektør	2 087	2 143	2 223	2 299	1 561	n/a	2,7	3,7	3,4	-32,1
Mejlænder-Larsen, Espen konserndirektør	1 967	2 112	2 188	2 261	2 293	n/a	7,4	3,6	3,3	1,4
Michelsen, Gudrun dødsbo konserndirektør	2 092	2 023	1 192			n/a	-3,3	-41,1	0,0	0,0
Murud, Liv Krokan <sup>1)</sup> konserndirektør				1 861	2 070	n/a	0,0	0,0	0,0	11,2
Nordheim, Vidar konserndirektør	2 014	2 197	2 271	2 346	2 379	n/a	9,1	3,3	3,3	1,4
Stenseth, Siv konserndirektør	2 052	2 094	2 167	2 322	2 286	n/a	2,1	3,5	7,2	-1,6
Wedvik, Hans Olav konserndirektør	2 171	2 374	2 481	2 572	2 604	n/a	9,3	4,5	3,7	1,2
Ørbæk, Elin B. <sup>2)</sup> konserndirektør			2 090	2 268	2 307	n/a	0,0	0,0	8,5	1,7

<sup>1)</sup> Acting in the position from 17.01.2020, permanent in the position from 01.04.2021

<sup>2)</sup> Acting in the position from 01.11.2018, permanent in the position from 01.05.2019

Comparable changes from 2016 - 2017 are not available due to the merger between Sparebanken Hedmark and Bank 1 Oslo Akershus AS in 2017.

## 4 Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of fixed annual remuneration of the Board of Directors and a fee per meeting according to separate remuneration rates adopted by the Supervisory Board. They also have a mileage allowance in accordance with the state tariff, while other travel expenses are covered against presentation of receipts.

### 4.1 Establishment, revision, compliance and follow-up of the guidelines

The remuneration of the Board of Directors is not discussed in "Guidelines for determining the remuneration of senior executives of SpareBank 1 Østlandet". The remuneration of the Board of Directors will be incorporated in revised guidelines for 2022.

The Supervisory Board determines the annual Board remuneration and remuneration per meeting. The Supervisory Board also follows up, adopts and revises the guidelines.

### 4.2 Remuneration to the Board of Directors for 2020 and 2021

The table below presents the remuneration that previous, current and future members of the Board of Directors have received during 2020 and 2021.

Name of elected officer	Year	1		2		3	4	5	6		7	8	9
		Fixed salaries and other remunerations		Variable remuneration		Extra-ordinary items	Pension costs	Total compensation	Share fixed and variabel remuneration		Board fees in subsidiaries <sup>1)</sup>	Loans	No. of equity capital certificates
		Payroll	Other remuneration	One-year variable	Multi-year variable				Fixed	Variabel	Fees		
Larsen, Espen Bjørklund styremedlem	2021			199	0			199	0 %	100 %		4 299	186
	2020			175	0			175	0 %	100 %		3 415	0
Dobloug, Tore-Anstein styremedlem	2021			280	0			280	0 %	100 %		12 769	0
	2020			282	0			282	0 %	100 %		6 305	2 100
Jørgenrud, Marit styremedlem	2021			187	0			187	0 %	100 %		8 904	1 282
	2020			134	0			134	0 %	100 %		4 321	1 282
Strømmevold, Siri J. styreleder	2021			359	0			359	0 %	100 %		-	3845
	2020			358	0			358	0 %	100 %		3 091	2282
Strøm Swensson, Nina Cecilie nestleder	2021			307	0			307	0 %	100 %		8 969	4 132
	2020			302	0			302	0 %	100 %		5 296	1 282
Lund, Alexander Sandberg styremedlem	2021			270	0			270	0 %	100 %		0	4 286
	2020			272	0			272	0 %	100 %		0	4 286
Vestvik, Guro Nina styremedlem	2021			199	0			199	0 %	100 %		0	346
	2020			201	0			201	0 %	100 %		0	346
Eggum, Jørn styremedlem	2021			125	0			125	0 %	100 %		2 009	0
	2020			97	0			97	0 %	100 %		0	0
Gabrielsen, Hans-Christian dødsbo styremedlem	2021			0	0			0	0 %	0 %		0	0
	2020			92	0			92	0 %	100 %		2 118	1 350
Larsen, Vibeke Hanvold styremedlem	2021			0	0			0	0 %	100 %		2 782	1 695
	2020			82	0			82	0 %	100 %		2 860	1 602
Heimli, Roger styremedlem	2021			62	0			62	0 %	100 %		0	0
	2020			0	0			0	0 %	100 %		0	0

1) Fees for board positions in companies in the same group or in the SpareBank 1- alliance

#### 4.3 Remuneration of members of the Board of Directors for the period from 2017 to 2021

The table below presents the remuneration that previous, current and future members of the Board of Directors have received for the period from 2017 to 2021. The table also shows annual changes in the total remuneration.

	Total compensation pr year					Change in %				
	2017	2018	2019	2020	2021	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Larsen, Espen Bjørklund	191	165	165	175	199	n/a	-13,7	-0,1	6,1	13,7
Dobloug, Tore-Anstein			180	282	280	n/a	0,0	0,0	56,8	-0,8
Jørgenrud, Marit	19	9	23	134	187	n/a	-55,3	170,6	482,0	39,4
Gabrielsen, Hans-Christian dødsbo	182	154	142	92		n/a	-15,1	-8,3	-34,8	-100,0
Strømmevold, Siri J. Styreleder	341	317	361	358	359	n/a	-7,3	13,9	-0,8	0,4
Strøm Swensson, Nina Cecilie nestleder	287	253	286	302	307	n/a	-11,7	12,8	5,8	1,7
Larsen, Vibeke Hanvold	188	165	181	82		n/a	-12,2	9,5	-54,7	-100,0
Lund, Alexander Sandberg	18	52	193	272	270	n/a	193,8	273,6	41,0	-0,9
Vestvik, Guro Nina	188	165	182	201	199	n/a	-12,3	10,1	10,6	-0,8
Eggum, Jørn	128	33	103	97	125	n/a	-74,1	209,6	-5,5	28,3
Heimli, Roger					62	n/a	0,0	0,0	0,0	0,0
Herud, Morten	267	237	75		0	n/a	-11,5	-68,5	-100,0	0,0
Garaas, Erik	307	296	114		0	n/a	-3,6	-61,5	-100,0	0,0
Gulli, Ola Reidar	17	4			0	n/a	-75,0	-100,0	0,0	0,0
Østli, Elin R			13		0	n/a	0,0	0,0	-100,0	0,0
Dahl, Hanne Sverdrup	17	4			0	n/a	-75,0	-100,0	0,0	0,0

Comparable changes from 2016 - 2017 are not available due to the merger between Sparebanken Hedmark and Bank 1 Oslo Akershus AS in 2017.

#### 5 Average remuneration by number of full-time equivalents for the period from 2017 to 2021

The table below presents the average remuneration by number of full-time equivalents for the period from 2017 to 2021, for both the company's employees and for senior executives. The table also shows annual changes in average remuneration by number of full-time equivalents.

	Gjennomsnittlig godtgjørelse					Endring %				
	2017	2018	2019	2020	2021	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Selskapets øvrige ansatte (fratrukket ledende personer)	639	700	748	749	780	n/a	9,5	6,8	0,2	4,1

Comparable changes from 2016 to 2017 are not available due to the merger between Sparebanken Hedmark and Bank 1 Oslo Akershus AS in 2017.



## 6 SpareBank 1 Østlandet's results for the period from 2017 to 2021

The table below presents SpareBank 1 Østlandet's results for the period from 2017 to 2021. The table also shows annual changes in the bank's results.

Table 6 - Profit after tax the last 5 years (in 1 000 NOK)										
	Resultat etter skatt					Endring %				
	2017	2018	2019	2020	2021	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
SpareBank 1 Østlandet AS	1 102	1 447	1 856	1 342	1 876	n/a	31,4	28,2	-27,7	39,8
SpareBank 1 Østlandet Konsern	1 263	1 414	1 928	1 608	2 022	n/a	11,9	36,4	-16,6	25,7

*Comparable changes from 2016 to 2017 are not available due to the merger between Sparebanken Hedmark and Bank 1 Oslo Akershus AS in 2017.*

## 7 Summary

In summary, the company's total remuneration is in accordance with the guidelines. Fixed salary is the main component for all employee categories. In line with this principle, no types of special incentive schemes have been established for senior executives. The company has no form of bonus scheme nor any obligations to consider bonuses for the CEO or Chair of the Board of Directors.

No one-off supplements were paid to senior executives in 2021.

It has not been necessary to reclaim variable remuneration for senior executives of SpareBank 1 Østlandet in 2021. The bank has no practice to use a sign-on fee, and this has not been applied by the bank in 2021.