

# **Executive Remuneration Policy – SpareBank 1 Østlandet**

Owner	Executive Vice President HR and Legal
Person responsible	Executive Vice President HR and Legal
Established by	11.2.2021 – The Board of Directors recommended it to the Supervisory Board
	25.3.2021 – Adopted by the Supervisory Board
Last revised	25.3.2021

This policy has been prepared in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act and the Regulations on Guidelines and Reporting of Remuneration for Executive Personnel and is based on the main principles of SpareBank 1 Østlandet's remuneration scheme.

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

## General information about executive remuneration

The guidelines are based on the remuneration scheme, which is an important strategic instrument for supporting the Group's financial goals, brand strategy, risk tolerance and long-term interests. The remuneration scheme provides a basis for the Group's organisation of its pay and incentive systems, and for how its resources should be channelled and allocated to all employees, including the senior management.

The Group's long-term focus on development and value creation is reflected in the remuneration scheme, which is based on a fixed salary being the main component for all employee categories. In line with this principle, no types of special incentive scheme have been established for executive personnel. At the same time, good performance over time should be reflected by competitive pay rises.

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 executive personnel must, insofar as it 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 to various areas of the Group and various job categories. Equal pay and anti-discrimination considerations must be addressed as part of these assessments.

## Components of executive remuneration

### a) 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.

### b) Pensions

Executive personnel are members of the Group's ordinary defined contribution pension scheme and earn pension rights for salary 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 based on the same general rules that apply to other employees. A separate agreement has been established for the CEO, which is described, and reported on, in the Group's annual report.

c) 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.

d) Other employee schemes

Executive personnel are covered by other employee schemes on a par with other employees. The main material employee benefits are various group insurance schemes, favourable lending terms and equity 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.

The Group offers no form of bonus scheme or variable pay system beyond possible one-time allowances as described in the remuneration scheme. Based on this, no obligations to consider bonuses for executive personnel in 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.

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

These guidelines were adopted by the Supervisory Board and proposed changes must be presented to the Supervisory Board following prior consideration by the Board of Directors.

A special Remuneration Committee has been established that works based on instructions approved by the Board of Directors. The Remuneration Committee will, on an independent basis, conduct an annual assessment of the main principles and strategies for executive remuneration in the Group, as well as assess any proposed changes when it comes to principles and concepts relating to the pay and remuneration of executive personnel.

The Remuneration Committee is also a preparatory body that assists the Board of Directors with its work on employment and salary terms and conditions for the CEO, as well as in relation to assessing whether the remuneration scheme is being practised satisfactorily.

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.