

# **The Remuneration Committee's Terms of Reference – SpareBank 1 SR-Bank ASA**

*Approved by the Board of Directors of SpareBank 1 SR-Bank ASA, 11 March 2021.*

## **1. Purpose**

The remuneration committee shall prepare matters for the board in connection with the board's work on remuneration policies in the SpareBank 1 SR-Bank Group.

The group's remuneration policies shall:

- be consistent with the group's overall objectives, risk tolerance and long-term interests;
- help to promote and provide incentives for good management and control of the group's risk, discourage excessive or unwanted risk taking, and help to avoid conflicts of interest; and
- comply with chapter 15 of the Financial Institutions Regulations of 9 December 2016.

## **2. Duties**

The remuneration committee shall:

- Annually review and propose the CEO's total salary and other remuneration.
- Annually review and propose the variable remuneration policy for the executive management team, including the CEO, including the bonus providing parameters.
- Annually consider and propose the group's remuneration policy, including the strategy and main principles for variable remuneration.
- Advise the CEO on matters relating to salary and other remuneration and other personnel-related issues for the group's executive personnel.
- Ensure that the practice of the group's remuneration policies is reviewed annually by an independent control function.
- Prepare a proposed executive remuneration policy, as well as ensure that a report is prepared each year that provides a total overview of paid and earned pay and other remuneration covered by the policy (ref. section 6-16(a) and (b) of the Public Limited Liability Companies Act).
- Assess other conditions as determined by the board and/or remuneration committee.
- Evaluate remuneration policies in relation to reputational risk.

- Ensure that the group has succession systems and shall review the status of management development and successor planning at the executive management level at least once a year.

### **3. Composition**

The board shall elect at least three of its members to form the remuneration committee and at least one of them shall be an employee representative. The board shall appoint the chair of the committee. The chair and members shall be appointed each year. The members of the remuneration committee shall together possess enough relevant knowledge and experience of remuneration policies, including knowledge and experience of risk analyses, to be able to determine the appropriateness of a remuneration policy. None of the bank's other board committees may be made up of the same group of members that make up the committee and steps shall be taken to ensure the committee members are rotated.

In addition to the committee's members, the EVP HR and Business Support and the committee's secretary shall also attend its meetings. Other representatives shall attend as required. The head of administration shall be the committee's secretary. The committee shall be chaired by whomever the board appoints at any given time.

### **4. Meetings**

The committee shall meet at least twice a year. Further meetings shall be convened if the committee or the chair of the committee wishes. The committee's secretary shall ensure that the minutes of every meeting are archived.

### **5. Authorities**

The committee shall have all the authorities and resources necessary to carry out its tasks, including authority to engage the external expertise the committee deems necessary.

### **6. Committee's relationship with the board**

The remuneration committee is only accountable to the board of SpareBank 1 SR-Bank in relation to the fulfilment of its duties. The responsibilities of the board and its individual board members remain unchanged regardless of the work of the committee.

