

## **DISCLOSURE OF INFORMATION CONCERNING THE REMUNERATION POLICY AND THE REMUNERATION SYSTEMS**

The following remuneration information is disclosed in accordance with article 450 in the Regulation (EU) No 575/2013 (“CRR”), chapter 2 section 11 of the Swedish Financial Supervisory Authority’s regulations FFFS 2011:1 as well as chapter 8 section 1 of the Swedish Financial Supervisory Authority’s regulations FFFS 2014:12.

### **Decision process for the remuneration policy**

The Board of Directors of Hoist Kredit AB (publ) (“HKAB”) has adopted a remuneration policy that is applicable to all employees within the consolidated situation of HKAB (the “Group”). The remuneration policy is, inter alia, based on FFFS 2011:1 and aims to be fully compliant with the undertakings imposed therein. Following FFFS 2011:1, the remuneration policy is based on an analysis of risks related to the remuneration policy and the remuneration system. Consultancy services have been used with regard to the development of the remuneration policy.

### **Remuneration Committee**

The Board of Directors has established a remuneration committee to assist the Board of Directors with regards to some of its duties in relation to remunerations. The Remuneration Committee shall consist of at least two members of the Board, of which both shall be independent of the Company and its executive management. The members of the Remuneration Committee shall have sufficient knowledge and experience of risk management and remuneration matters. The Remuneration Committee’s duties are outlined in instructions adopted by the Board of Directors. The remuneration committee shall have at least two meetings per year.

The Remuneration Committee shall make an independent evaluation of the Group’s remuneration policy and its systems for determining and paying remuneration and report the result to the Board of Directors. The remuneration committee shall further prepare matters (i) in which the Board of Directors shall determine the remuneration to senior management and employees responsible for any of the internal group control functions and, (ii) recommend the measures that are to be applied in order to ensure full compliance with the remuneration policy.

### **Principles for determining remuneration**

The Group’s business requires highly qualified employees and specialists in many fields. Remunerations shall be set at such levels that the Group is able to attract and retain qualified and experienced employees. In order to have positive motivational influence, remunerations shall correspond to the individual responsibility and performance.

The Group may, when appropriate, offer various kinds of bonus systems and incentive programs to help align the interests of the employees and those with the Group but there is currently no Group wide variable remuneration system. Limited goal setting programs are established from time to time for certain employees or certain categories of employees. The criteria for the performance assessment and risk adjustment may vary depending on the goal setting program and the category of employees concerned.

### **Measuring of results and risk adjustment**

The result and all measures used as a base for the variable remuneration (cash flow, earnings, profitability or other) shall be measured and risk adjusted. In order to mitigate the risk of disproportionate costs, which could affect the Group’s ability to meet its current capital requirements and/or foreseeable capital needs, remuneration must also be in proportion to the Group’s and the local entities’ earning capacity, profits, liquidity positions and general financial position.



**Deferment and payment**

When certain criteria are met, variable remuneration shall be deferred. For employees whose work tasks can have material impact on the Group’s risk profile, whose variable remuneration for one year amounts to at least SEK 100,000 (approx. EUR 11,000), at least 40 per cent of the variable remuneration shall be deferred for a period of at least three years. For senior management, at least 60 per cent of the variable remuneration shall be deferred for a period of at least three years.

The Board of Directors decides when and if to pay out deferred remuneration. When certain criteria are met, variable remuneration, including deferred parts of variable remuneration, may be suspended in part or in whole. Deferred remuneration may only be paid out if this is defensible with respect to the Group’s financial situation and the results of the Group, the profit center concerned and the employee.

Deferred remunerations may be paid out once a year, evenly apportioned over the period for which the remuneration has been deferred. The first deferred payment may be made one year after the variable remuneration in question was decided on.

**Ownership**

The ownership of the remuneration funds is only passed on to the employee on the decided payment date.

**Ratio between fixed and variable remuneration**

The Board of Directors has determined a maximum percentage of variable remuneration relative to the fixed remuneration. This percentage varies according to the type of role held by an employee. The maximum amount of variable remuneration paid each year must not exceed 50 per cent of the fixed remuneration.

**Result criteria**

In the event of variable remuneration to senior management or employees whose work tasks can have a material impact on the Group’s risk profile, the total remuneration shall be based on a combination of measuring individual results and the results of the business unit in question and, furthermore, the total result of the employing entity. Individual results shall be measured on both a financial and a non-financial basis. Each decision on variable remuneration shall take into account the employee’s compliance with internal rules and procedures, including policies regarding conduct toward customers and investors.

**Other variable components and other non-cash benefits**

In accordance with the decided strategy to attract and retain qualified and experienced employees, certain employees may, in exceptional cases, be eligible to other remuneration components such as sign-on remuneration. Employees may also be entitled to other non-cash company benefits such as health care, insurance, car benefit or other benefits.

**Remunerations 2015 for senior management and employees whose work tasks can have material impact on the Group’s risk profile**

The information below relates to the business year of 2015 unless otherwise stated. Variable remuneration concerning 2015 is included even if the remuneration has been determined and/or paid during 2016. The information is presented on the basis of the consolidated situation of the Group with information on an individual basis for HKAB in brackets.

	Total amount expended in SEK thousand	Senior management	Employees whose work tasks can have material impact on the Group’s risk profile
1	Fixed remuneration	23 842 (23 842)	61 154 (17 021)
2	Number of beneficiaries (employees)	7 (7)	57 (16)



3	Variable remuneration	2 409 (2 409)	9 458 (2 318)
4	<i>Number of beneficiaries (employees)</i>	4 (4)	40 (10)
5	Variable remuneration in cash*	2 409 (2 409)	9 458 (2 318)
6	Variable remuneration in shares or sharelinked instruments etc	0(0)	0(0)
7	Other variable remuneration	0(0)	0(0)
8	Vested deferred remuneration	1 326 (1 326)	1 405 (350)
9	Unvested deferred remuneration	2 885 (2 885)	3 802 (1 261)
10	Paid deferred remuneration	1 326 (1 326)	1 405 (350)
11	New sign-on and severance payments made during the financial year	0	240 (**)
12	<i>Number of beneficiaries in section 11</i>	0	**
13	Severance payments awarded during the financial year	-	305 (**)
14	<i>Number of beneficiaries in section 13</i>	-	**
15	Highest severance payment committed to an individual	-	**
16	If any, the number of individuals where the paid remuneration is 1 MEUR or more per financial year	-	-

\* Hoist does not offer any variable remuneration in other forms than cash. An insignificant number of employees have the possibility to use salary exchange.

\*\* The information is presented in such way that it will not reveal the financial situation of individuals.

