Principles of Corporate Governance

Determined by:	The Board of Directors		
Version:	2.0	**Date:**	21 November 2019

Komplett Bank ASA (“**the Bank”**) seeks to maintain high standards of corporate governance. The Bank considers effective corporate governance to be an important prerequisite for value creation.

The Bank’s shares are listed on the Oslo Stock Exchange. As a result, the Bank is subject to the Norwegian Code of Practice for Corporate Governance of 17 October 2018 (“**The Code of Practice”**). The Code of Practice is based on the “comply or explain principle”, whereby listed companies must comply with the Code of Practice or explain why they have chosen an alternative approach. The Norwegian Corporate Governance Board (**“NCGB” or “NUES”**) determined to continue the Code of Practice published in October 2018. New legislation regarding shareholder- and auditor rights are expected this year or in the coming year, which may lead to changes to the Code of Practice in 2020.

The Bank has the intention of complying with the Code of Practice and is currently in full compliance. Also, the Board of Directors has decided to establish an independent audit- and risk committee, which replaces the previous structure, in which the audit- and risk committee was made up of the Board of Directors.

The accompanying comments to the Code of Practice, point 11, Remuneration of the Board of Directors, have been elaborated in relation to previous versions, which clarify that companies should not provide options to board members. The Bank aims to comply with the Code of Practice’s intention on this point. The company’s board members do not receive performance-related remuneration and do not participate in option schemes tailored to management. It is up to the individual board member to decide whether their remuneration shall be share-option-based. The Bank finds it desirable for board members to own shares in the company, see point 8 of the Code of Practice, and has therefore facilitated the board members’ ability to receive share-option-based remuneration. Options allocated as part of this arrangement are assigned low exercise prices so that the value of the options develop as much as possible in a way similar to ordinary shares. Furthermore, they are allocated on the basis of a value, which is determined using Black & Scholes's formula for calculating the value of options, and based on the full market value of underlying shares at allocation, as observed in the last traded price on the Oslo Stock Exchange. The arrangement is an alternative to encouraging or requiring the Board's members to use all or parts of their directors' fees to buy shares at market rates. Because share options and shares are treated differently for tax purposes, the company's scheme means that board members may actually be more exposed to developments in the company's value, measured in terms of fluctuations in the share price, than if they used their remuneration to buy shares in the market. The scheme further contributes to strengthening the company's equity, in relation to cash-based benefits, and thus supports the company's growth strategy.

Effective corporate governance is a prioritised area for the Bank's Board. To ensure strong and sustainable corporate governance, the Bank shall facilitate good and healthy business practices, reliable financial reporting and an environment that complies with policies and regulations. The Bank is of the opinion that effective corporate governance includes transparency and trust-based cooperation between shareholders, the Board and management, permanent and temporary staff, public authorities, other involved parties and society as a whole.

The Bank will annually provide an account of its corporate governance as an attachment to the annual report and any deviances from the Code of Practice will be accounted for in relation to the Code of Practice.

Change Log

Date:	Modified	Version
15 November 2018	An updated version of the Code of Practice was published in October 2018, including specifications in the comments concerning recommendations on whether board members should receive remunerations in the form of options. The disclosure that the Bank's option scheme is not considered to violate the Code of Practice was included. The scheme's characteristics are deemed to comply with the recommendation's intention on this point, whereas the options' value develops very similarly to an ordinary share.	1.1
18 November 2019	NCGB determined to continue the Code of Practice published in October 2018. New legislation regarding shareholder- and auditor rights are expected this year or the coming year, which may lead to changes to the Code of Practice in 2020. For review by the audit- and risk committee on November 18 2019	2.0