

Report on salary and other remuneration paid to management employees in 2021

Introduction

Regulatory changes and the Covid-19 pandemic have temporarily halted the growth opportunities for Komplett Bank. This has resulted in a period with declining profitability since the Bank's operation was scaled for further growth. Consequently, the Bank conducted an extensive review of the operation in the fourth quarter 2021. Based on the findings Komplett Bank has established a clear action plan for repositioning the Bank for profitable growth. This plan is under implementation in 2022 with a gradual effect materializing throughout the year.

Highlights

Komplett Bank's total income was NOK 876 million in 2021, a reduction of NOK 224 million (-20%) compared to 2020. The reduced income was driven by lower net interest income, which declined by 17% from NOK 1,069 million in 2020. In October 2021, Komplett Bank sold a portfolio of non-performing loans for a gross carrying amount of NOK 1.4 billion. As a consequence of the disposal, net interest income was reduced by NOK 63.5 million.

The cost-income ratio was 47.4% in 2021 compared to 35.2% in 2020. The increase is chiefly driven by a lower income base, and not by a cost increase. Komplett Bank has ambition to improve the cost/income ratio significantly going forward, driven by efficiency measures already implemented and new efficiency programs under implementation. Based on already implemented cost measures, total costs were reduced by 5% over the last three quarters of 2021.

Pre-tax operating profit ended with a deficit of NOK 278 million, down from NOK 349 million in 2020.

Tax expenses for the full year were positive by NOK 69 million, up from a negative tax expense of NOK 86 million in 2020.

Company results and remuneration in 2021

The variable remuneration plan for the management allows for bonus levels up to 50% of annual salary at the end of the bonus year. Half of the variable remuneration is paid in options, and the

remaining is paid in cash. The variable bonus consists of two elements, which is half qualitative (individual) and half quantitative. The quantitative part considers the profit after tax, the quality of the portfolio as well as kpis related to key initiatives during the year. The bonus level is finally approved by the shareholders and hence paid after the AGM. The variable bonus awarded in 2021 relates to the performance in the financial year 2020.

Remuneration of Directors in 2021

The Company's overall remuneration scheme is intended to promote a behaviour that is based on a desired performance- and results oriented culture. The overall remuneration scheme is intended to attract and retain employees who have the desired attributes, competence and experience. The remuneration scheme will contribute to promoting and incentivising good management and control of the Company's risk, discourage excessive risk-taking, assist in avoiding conflicts of interest and maintain profitability over time.

Consideration should be given to the Company's financial situation when determining management salaries. The Bank should not offer the highest salaries, but should nonetheless be competitive. The pay system should be easy to explain and administrate and be flexible so that it can be adapted to suit changing needs. The pay system shall comply with, among other things, the Company's pay policy and ethical guidelines. The remuneration policy is designed to:

- Contribute to the business strategy, long-term interests and sustainability of the Company
- Strengthen the common interests of employees of Komplett Bank and its shareholders
- Reflect the company's overall performance and financial results
- Be competitive and adapted to local markets

Komplett Bank's remuneration framework is linked to the Company's strategy and values. Performance is evaluated in two dimensions; "What" we deliver and "How" we deliver. This is at the heart of our value-based performance culture, and means that delivery ("What") and behaviour ("How") are weighted equally when we recognize and reward individual performance.

TABLE 1 - REMUNERATION OF DIRECTORS FOR THE REPORTED FINANCIAL YEAR IN NOK '000

Name of Director/ position	Year	1			2		3	4	5	6	
		Fixed remuneration			Variable remuneration		Extra-ordinary items	Pension expense	Total Remuneration	Poportion of fixed and variable remuneration	
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable					
Nojanaj Pongsupaht, Deputy Board member 26 Mar. 2019 - 31May 2021	2021	-	6	-	-	-	-	-	-	-	-
	2020	-	13	-	-	-	-	-	-	-	-
Thea Kristine Elind, Deputy Board member from 1 Jun 2021	2021	-	6	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-

Sharebased remuneration

50% of the awarded variable remuneration is in the form of share options with a strike price of NOK 1. The share options vests linearly, annually over a 3-year period, first time one year after the variable remuneration is awarded.

The options are awarded according to the Bank's Stock Option Plan.

The options are awarded calculating a theoretical option premium for each option, according to recognized methods for option pricing, and based on the best estimate of Fair Market Value.

The employee is awarded options according to 50% of the total variable remuneration. The remaining 50% is paid less deductions for holiday pay and taxes.

The Stock Option Plan includes only share options.

TABLE 2 - SHARE OPTIONS AWARDED OR DUE TO THE DIRECTORS FOR THE REPORTED FINANCIAL YEAR

The main conditions of share option plans							
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting date	5 End of holding period	6 Exercise period	7 Strike price of the share
Øyvind Oanes, CEO from 1 Oct. 2021	No options awarded						
Eirik Holtedahl, Deputy CEO CFO from 1 Feb. 2022	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Henning Fagerbakke, ex CFO, Head of Finance from 1 Dec. 2022	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Wilhelm B. Thomassen, COO from 6 Dec. 2021	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	"26.04.2022 26.04.2023 26.04.2024"	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Annika Ramstedt, CCRO	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Enok S. Hanssen, Director Loan and POS CCO from 6 Dec. 2021	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1

Information regarding the reported financial year

	Opening balance	During the year		Closing balance		
	8 Share options awarded at the beginning of the year	9 Share options awarded	10 Share options vested	11 Share options subject to a performance condition	12 Share options awarded and unvested	13 Share options subject to a holding period
Øyvind Oanes, CEO from 1 Oct. 2021						
Total						
Eirik Holtedahl, Deputy CEO CFO from 1 Feb. 2022	0 76,360	76,360 40,823	0 1,578		76,360 39,245	0
		3,842	80	0	3,762	
Total		121,025	1,658	0	119,367	0
Henning Fagerbakke, ex CFO, Head of Finance from 1 Dec. 2022						
	0	82,820	0	0	82,820	
	82,820	43,771	518	0	43,253	0
		4,165	26	0	4,139	
Total		130,756	544	0	130,212	
Wilhelm B. Thomassen, COO from 6 Dec. 2021						
	0	269,768	135,469		134,299	
	269,768	47,138	53,684	0	-6,546	0
		13,564	9,511	0	4,053	
Total		330,470	198,664	0	131,806	
Annika Ramstedt, CCRO						
	0	243,898	37,391		206,507	
	243,898	53,783	89,519	0	-35,736	0
		14,125	7,350	0	6,775	
Total		311,806	134,260	0	177,546	
Enok S. Hanssen, Director Loan and POS CCO from 6 Dec. 2021						
	0	327,485	130,062		197,423	
	327 485	43,887	109,351	0	-65,464	0
		20,587	15,486	0	5,101	
Total		391,959	254,899	0	137,060	

TABLE 2 - SHARE OPTIONS AWARDED OR DUE TO THE DIRECTORS FOR THE REPORTED FINANCIAL YEAR (FIGURES IN NOK)

The main conditions of share option plans							
	1	2	3	4	5	6	7
	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share
Steffen Ryengen, ex. CTO	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Eivind Bagås, Compliance	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Ove Holstangen, Risk Control	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Christina Pedersen, COO until 6 Dec. 2021	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1
Jan Haglund, CEO until 23 Jun. 2021	Previous plans	2016-2019	2017-2020	2018-2021	N/A	19.04.2022- 05.04.2025	NOK 1
	Stock Option Plan 2021	2020	26.04.2021	26.04.2022 26.04.2023 26.04.2024	N/A	26.04.2026	NOK 1
	Dividend options	2017-2020	04.05.2021	26.04.2021		26.04.2026	NOK 1

Information regarding the reported financial year

	Opening balance		During the year		Closing balance	
	8 Share options awarded at the beginning of the year	9 Share options awarded	10 Share options vested	11 Share options subject to a performance condition	12 Share options awarded and unvested	13 Share options subject to a holding period
Steffen Ryengen, ex. CTO	0	375,814	185,273		190,541	
	375,814	67,920	114,713	0	-46,793	0
		18,896	14,362	0	4,534	
Total		462,630	314,348	0	148,282	
Eivind Bagås, Compliance	0	154,850	44,290		110,560	
	154,850	30,923	48,891	0	-17,968	0
		7,786	4,685	0	3,101	
Total		193,559	97,866	0	95,693	
Ove Holstangen, Risk Control	0	6,213	1,553		4,660	
	6,213	10,626	4,660	0	5,966	0
		312	312	0	0	
Total		17,151	6,525	0	10,626	
Christina Pedersen, COO until 6 dec. 2021	0	214,635	87,829		126,806	
	214,635	42,424	48,686	0	-6,262	0
		10,792	6,864	0	3,928	
Total		267,851	143,379	0	124,472	
Jan Haglund, CEO until 23 Jun 2021	0	1,159,196	801,165		358,031	
	1,159,196	102,382	175,016	0	-72,634	0
		67,133	56,534	0	10,599	
Total		1,328,711	1,032,715	0	295,996	
Grand total		3,555,918	2,184,858	0	1,371,060	0

«Claw-back» routines

Before awarding variable remuneration, a risk adjustment should be made. This is a mechanism for risk coordination where the variable remuneration is reduced using malus arrangements, or «claw back». The risk adjustment should be performance related. The Bank's guidelines for variable remuneration includes a claw back paragraph, which says if the Bank's performance is poor, or the employee's business area is performing poorly, the awarded remuneration can be reclaimed in parts or in full, the 3 consecutive years after being awarded. Variable remuneration should only be awarded when the Bank's financial position is acceptable.

The remuneration awarded is according to the Bank's guidelines on variable remuneration

Information on how the remuneration is in line with the guidelines and how the criterias were used

For senior management the remuneration is determined on the basis of an overall assessment, with the emphasis in the variable component of the remuneration being based on results achieved, balance sheet management (including asset-liability management and liquidity management), implementation of the Company's strategy plan and compliance with the adopted framework for risk tolerance. The assessment takes into consideration overall goal attainment, trends over time and the Bank's long-term interests. The overall assessment must be based on both quantitative and qualitative factors.

Qualitative factors (comprise 50% of awarded bonus): The qualitative part is discretionary and basically consists of an assessment of the achievement of the manager's personal objectives.

Examples of qualitative factors are:

- Compliance with internal and external regulations
- Strategic objectives/KPI within the manager's area
- Contribution to the Company's activities as such

Quantitative factors (comprise 50% of awarded bonus): For the quantitative part of variable remuneration, clear criteria have been set for what is minimum objective achievement and when the objectives are met. For performance and balance sheet targets, there is a clear correlation with the Company's plans and objectives, where performance achievement is assessed based on a 5-step matrix between 0-125%.

Specific criteria have been set for the different steps in the matrix. The sustainability goals support the Bank's plans, with clear goals, so that bonus allocation depends on whether the criterion has been achieved.

- Risk adjusted result (33%)
- Balance sheet development (33%)
- Development in key initiatives (33%)

However, the awarded bonus cannot exceed 50% of fixed salary even if the target achievement may be higher for some criteria.

TABLE 4 - PERFORMANCE OF DIRECTORS IN THE REPORTED FINANCIAL YEAR

Name of Director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Jan Haglund, CEO to 23 Jun. 2021	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 216 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 216 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 216 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	100% NOK 742 k
Henning Fagerbakke, CFO Head of Finance from 1 Feb. 2022	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 108 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 108 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 108 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	100% NOK 365 k
Eirik Holtedahl, Deputy CEO CFO from 1 Feb. 2022	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 101 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 101 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 101 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	82% NOK 341 k
Wilhelm B. Thomassen, Director HR & Legal, COO from 6 Dec..2021	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 117 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 117 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 117 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	90% NOK 393 k
Christina Pedersen, COO to 6. Dec, 2021	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 105 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 105 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 105 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	100% NOK 354 k

TABLE 4 - PERFORMANCE OF DIRECTORS IN THE REPORTED FINANCIAL YEAR

Name of Director, position	1 Description of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information on Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Annika Ramstedt, CCRO	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 120 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 120 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 120 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	90% NOK 412 k
Enok S. Hanssen, Director Loan and POS CCO from 6 Dec. 2021	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 98 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 98 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 98 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	90% NOK 336 k
Steffen Ryengen, ex. CTO	Risk adjusted result	1/6	0% NOK 45 mill	125% NOK 320 mill	100% NOK 121 k
	Balance sheet development	1/6	0% NOK 6.600 mill	125% >NOK 8.050 mill	75% NOK 121 k
	Development in key initiatives	1/6	Not reached 0%	Reached 100%	100% NOK 121 k
	Discretionary part	50%	OK performance 0%	Very strong performance 100%	90% NOK 409 k
Eivind Bagås, Compliance	Risk adjusted result	0%	0% NOK 45 mill	125% NOK 320 mill	- -
	Balance sheet development	0%	0% NOK 6.600 mill	125% >NOK 8.050 mill	- -
	Development in key initiatives	0%	Not reached 0%	Reached 100%	- -
	Discretionary part	100%	OK performance 0%	Very strong performance 100%	84% NOK 488 k
Ove Holstangen, Risk Control	Risk adjusted result	0%	0% NOK 45 mill	125% NOK 320 mill	- -
	Balance sheet development	0%	0% NOK 6.600 mill	125% >NOK 8.050 mill	- -
	Development in key initiatives	0%	Not reached 0%	Reached 100%	- -
	Discretionary part	100%	OK performance 0%	Very strong performance 100%	84% NOK 168 k

Deviations from guidelines

The variable remuneration was awarded according to the regulations set forth in the Board's Guidelines for variable remuneration, approved by the Board in March 2021

Comparative table over the remuneration and company performance over the last five reported financial years (RFY)

TABLE 5 - PERFORMANCE OF DIRECTORS IN THE REPORTED FINANCIAL YEAR

Annual change	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	Information regarding the RFY
Director's remuneration						
Øyvind Oanes, CEO from 1 Oct. 2021	-	-	-	-	-	1,028
Jan Haglund, CEO until 23 Jun. 2021	131%	126%	197%	102%	79%	3,715
Henning Fagerbakke, Head of Finance, ex CFO	-	-	-	123%	119%	2,591
Eirik Holtedahl, Deputy CEO and CFO	-	-	154%	108%	121%	2,881
Wilhelm B. Thomassen, COO from 6 Dec. 2021	107%	116%	121%	98%	115%	2,840
Christina Pedersen, COO until 6 Dec. 2021	-	-	143%	112%	110%	2,489
Annika Ramstedt, CCRO	-	-	134%	119%	102%	2,936
Enok S. Hanssen, CCO	-	-	122%	93%	114%	2,286
Steffen Ryengen, CTO	107%	118%	127%	100%	100%	2,831
Eivind Bagås, Compliance	-	-	-	129%	106%	1,900
Ove Holstangen, Risk Control	-	-	-	-	103%	1,505
Company performance						
Profit After Tax NOK mill	214%	121%	61%	130%	-79%	-209
Net loans to customers NOK mill	164%	144%	108%	98%	88%	8,361
Non-financial metric, number of employees	194%	117%	126%	111%	92%	142
Average remuneration on a full-time equivalent basis of employees						
Employees of the company	99%	105%	109%	112%	109%	639

Information on shareholder vote

The annual meeting held in 2021 approved the Board of directors' guidelines for determination of remuneration to senior management. The decision was made with the required majority.



To the General Meeting of Komplett Bank ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Komplett Bank ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but



not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 22 March 2022
PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Erik Andersen', with a long horizontal flourish extending to the right.

Erik Andersen
State Authorised Public Accountant

