

Remuneration Policy

1. Application and objectives

This Remuneration Policy (the "Policy") has been adopted by the Board of Directors of Ekspres Bank A/S.

The Policy applies to all Ekspres Bank employees as well as the Board of Directors and encompasses all remuneration components offered to Ekspres Bank employees and the Board of Directors, including base salary, variable remuneration, pension benefits, non-pay benefits and termination pay.

The Policy is subject to approval at the Annual General Meeting on 16 March 2016.

Once approved at the Annual General Meeting and unless otherwise required by the individual employees' entitlements under Danish employment law, the Policy will apply to any remuneration earned from 1 January 2016.

The Policy must be consistent with and is subject to applicable Danish and EU law, including, but not limited to, section 71(1)(9) and sections 77a – 77d and 77f of the Danish Financial Business Act (the "FBA"), Executive Order No 818 of 27 June 2014 on remuneration policy and disclosure on remuneration in financial undertakings, financial holding companies and insurance holding companies (the "Executive Order on remuneration policies") and Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (the "RTS on material risk takers").

In case of any inconsistency between the Policy and applicable law, the latter will prevail.

The Policy is based on an assessment of the size and organization of Ekspres Bank as well as the scope and complexity of its operations, and the Policy has been prepared with due regard for the principle of proportionality.

The objective of the Policy is to ensure that Ekspres Bank's remuneration structures are aligned with and promote sound and effective risk management to curb excessive risk taking. Furthermore, the objective of the Policy is to ensure that Ekspres Bank's remuneration structures are aligned with and support its business strategy, goals, values and long-term interests, that the remuneration structures are aligned with customer and investor protection regulation and that the total variable remuneration Ekspres Bank is committed to paying out will not undermine the bank's ability to strengthen its capital base.

2. Remuneration of the Board of Directors

The members of the Board of Directors receive no remuneration.

However, this does not apply to the so-called independent member of the Board of Directors (audit committee), who receives an annual fixed fee due to his/her special knowledge of and insight into the matters transacted in the audit committee. The fee is non-pensionable.

Notwithstanding the above, Ekspres Bank may reimburse members of the Board of Directors for any reasonable travel expenses incurred in connection with a director's discharge of his/her duties as a member of the Board of Directors.

The above means that none of the members of the Board of Directors receives any variable remuneration.

3. Remuneration of the Executive Board

The remuneration for the Executive Board is determined by the Board of Directors.

In accordance with the principles set out in sections 4.1 – 4.4 below, the total remuneration for the Executive Board may consist of base salary, pension contribution and various non-pay benefits.

Further, the remuneration for the current Executive Board also consists of the eligibility to receive variable remuneration under a performance-based bonus scheme. As this bonus scheme is subject to an agreement which was entered into prior to 1 January 2011 (*i.e.* prior to the effective date of the original provisions on remuneration in the FBA) and which has not subsequently been amended, the bonus scheme is not subject to the provisions on remuneration set out in the FBA and the Executive Order on remuneration policies.

Unless such remuneration is paid under the above-mentioned bonus scheme, the Executive Board may not receive any remuneration that is considered *variable remuneration* pursuant to the criteria on variable remuneration set out in the European Banking Authority's guidelines on sound remuneration policies (the "EBA guidelines").

The Executive Board may be entitled to termination pay in accordance with the principles set out in section 4.6 below.

4. Remuneration of other employees

4.1 General remuneration principles

The total remuneration for Ekspres Bank employees generally consists of all of the following three remuneration components:

- Base salary
- Pension contribution
- One or more non-pay benefits

Unless otherwise provided in the Policy, the total remuneration for Ekspres Bank employees may also consist of the eligibility to receive variable remuneration in the form of a performance-based bonus.

4.2 Base salary

The level of an employee's base salary will be determined based on the role and position of the individual employee, including job complexity, responsibility, professional experience, education, expected performance, current market conditions, etc.

Additionally, if an employee's employment with Ekspres Bank is subject to the FA collective agreement, the base salary will be determined in accordance with the salary system under the FA collective agreement (the "FA collective agreement" meaning the collective agreement between the Danish Employers' Association for the Financial Sector (*Finanssektorens Arbejdsgiverforening*) and the Danish Financial Services Union (*Finansforbundet*), as amended by a local collective agreement between Ekspres Bank and its employees).

Most Ekspres Bank employees are covered by the salary system in the FA collective agreement.

For employees who are covered by the FA collective agreement, the base salary will be subject to an annual base salary increase in accordance with the adjustment rate agreed under the FA collective agreement. The rate may differ from year to year and will normally be effective as of 1 July.

For other employees, the base salary will generally be reviewed once a year. Any increase will be awarded on an individual basis and will generally be effective as of 1 July.

The base salary is payable in cash and cannot therefore be paid in shares or any other financial instruments.

The base salary must be subject to such terms as to be considered *fixed remuneration* pursuant to the criteria on fixed remuneration in the EBA guidelines.

4.3 Pension contributions

Any pension contributions must be calculated as a certain percentage of the employee's base salary and must be paid into a third-party defined contribution pension scheme.

For employees covered by the FA collective agreement and non-covered employees, the pension contribution will be calculated on the basis of the percentage set out in the FA collective agreement from time to time.

Pension contributions must only be granted on the basis of the employee's base salary and, thus, not on the basis of any variable remuneration paid.

Based on the above and the provisions on base salary (see above), any pension contribution is considered *fixed remuneration* pursuant to the criteria on fixed remuneration in the EBA guidelines.

4.4 Non-pay benefits

Any non-pay benefits (e.g. lunch arrangement, mobile phone, laptop, internet connection at home address, company car, etc.) must be granted or made available to an employee either:

- as part of Ekspres Bank's non-discretionary entity-wide benefits policy; or

- because the benefits are required or considered appropriate due to the employee's position.

Any non-pay benefits must be granted or made available to an employee on such terms as to be considered *fixed remuneration* pursuant to the criteria on fixed remuneration in the EBA guidelines.

4.5 Variable remuneration

Remuneration which is considered *variable remuneration* pursuant to the criteria on variable remuneration in the EBA guidelines may only be granted under a bonus scheme that is performance-based.

The grant of any bonus must be linked to a one-year accrual period equal to the financial year of Ekspres Bank, and must be based on the following predetermined performance criteria:

- The performance criteria must ensure alignment with sound and effective risk management principles, must be designed to avoid risk-taking that exceeds the level of tolerated risk at Ekspres Bank and must ensure that any bonus will only be payable to the extent that the total bonus amount which Ekspres Bank is committed to paying out will not undermine the bank's ability to strengthen its capital base.
- The performance criteria must relate to and take into account risks and performance at the following three levels: Ekspres Bank, the department of the individual employee and the individual employee. The performance criteria must consist of both financial and – in particular at the employee level – non-financial performance criteria. The relative importance of each level of performance criteria must be determined upfront and must be adequately balanced to reflect the employee's position and responsibilities. To the extent possible, the performance criteria must include achievable objectives and factors on which the employee has some direct influence.
- At the employee level, the non-financial performance criteria must be linked to the employee's compliance with the risk management policy and internal and external rules, regulations and policies and must further be linked – to the extent relevant considering the employee's position and responsibilities – to achievement of strategic targets, customer satisfaction, leadership, team work, creativity, motivation, cooperation with other departments and control functions or other criteria. Negative non-financial performance in the form of non-compliance with internal and external rules etc. will generally outweigh any good financial performance on the part of Ekspres Bank, the department of the employee and the employee, and the same will apply – to the extent relevant considering the employee's position and responsibilities – with regard to other non-financial performance criteria.

The specific nature of the above criteria that apply to an employee must be set out in a written document and given to the employee.

However, subject to approval by the Executive Board, the payment of a performance-based bonus to an employee who is neither employed in a control function nor identified as a material risk taker may be exempted from one or more of the above provisions on accrual period and performance criteria if the total bonus amount payable to the employee does not exceed DKK [50,000] per calendar year. Such bonus may therefore be granted on a fully discretionary basis. However, on grant of any such bonus, Ekspres Bank must inform the employee in writing of the factors forming the basis of the bonus grant.

The amount of any bonus awarded to an employee for a calendar year cannot exceed [25]% of the employee's base salary plus pension contribution for the relevant calendar year.

Any bonus will generally be payable in cash. However, subject to approval by the Board of Directors, bonus may also be payable in either shares of BNP Paribas (*i.e.* shares of Ekspres Bank's ultimate parent company) or any split between cash and such shares.

Any disbursed as well as non-disbursed bonus will be subject to clawback if the bonus was awarded on the basis of data which have subsequently turned out to be misstated or inaccurate.

As variable remuneration may only be granted in the form of a performance-based bonus, no compensation or buyout from previous employment contracts and no sign-on, retention or guaranteed bonus may be awarded.

4.5.1 Employees in control functions

Unless otherwise approved by the Board of Directors, employees in control functions must not receive any performance-based bonus.

If an employee in a control function is covered by a performance-based bonus scheme, the applicable performance criteria must ensure that the employee is remunerated for delivering his/her best performance in the relevant control function and that the employee's eligibility to receive bonus does not compromise his/her objectivity and independence. The bonus must not be determined by the financial results of the department monitored by the employee.

4.5.2 Employees identified as material risk takers

If an employee who is identified as a material risk taker under section 5 below (a "material risk taker") is covered by a performance-based bonus scheme, the total amount of any bonus awarded to the relevant material risk taker for a calendar year cannot exceed DKK 100,000.

In addition to the provisions of section 4.5 above, the bonus scheme must comply with any additional requirements set out in section 77a of the FBA and the Executive Order on remuneration policies.

However, based on the above bonus cap of DKK 100,000, the Executive Board has decided in accordance with section 8(2) of the Executive Order on remuneration policies that the award of any bonus to a material risk taker is exempted from the requirements to pay-out in special financial instruments, deferral period and retention period set out in section 77a(1)(iii)-(iv) and section 77a(3) of the FBA. This decision has been made with due account being taken of the relatively simple business model pursued by Ekspres Bank, including the system-based approach to the granting of loan applications, the ongoing loan portfolio monitoring and the ongoing reporting of the bank's financial ratios etc., all of which are held by the Executive Board to enable immediate identification of any increased risk taking.

In consequence of the exemption from the requirement to deferral period in section 77a(1)(v) of the FBA, the award of any bonus to a material risk taker is also exempted from the pay-out restrictions in section 77a(iv) of the FBA.

4.6 Termination pay

Termination pay is granted in accordance with Danish employment law, including the FA collective agreement for those employees who are covered by the FA collective agreement.

If not concluded in connection with termination, individual agreements on termination pay may only be concluded in connection with commencement of employment. In addition to new hires, commencement of employment also covers promotions etc. within Ekspres Bank involving a renegotiation of the terms and conditions of employment. Such termination pay may not be linked to job performance, and at the time of termination the amount of termination pay may not exceed the employee's salary during the past 12 months. In practice, this cap will only be utilised in exceptional cases.

In connection with termination, if so deemed necessary by Ekspres Bank, an individual agreement may be concluded to grant the employee a termination payment on top of the termination pay which the employee may be entitled to receive under Danish law or an individual agreement. At the time of termination, such termination pay may not exceed the employee's salary during the past 12 months.

Unless otherwise required in order to comply with applicable law, termination pay must be calculated on the basis of the employee's base salary. Individual agreements on termination pay are subject to approval by the Executive Board.

5. Identification of material risk takers

A material risk taker is a person whose activities may have a material impact on Ekspres Bank's risk profile.

The members of the Board of Directors and the Executive Board are by definition considered material risk takers. The Board of Directors must determine on a continuous basis and at least once a year which other Ekspres Bank employees are considered material risk takers based on a recommendation from the Executive Board.

The identification of other material risk takers must be based on an in-depth assessment of roles, responsibilities and actual mandates of positions that could be considered material risk taker positions as well as a sound assessment of risk given the specific characteristics of Ekspres Bank's activities. The identification of material risk takers must be made with due regard to the qualitative and quantitative criteria set out in the RTS on material risk takers. In the process of identifying material risk takers, relevant stakeholders and specialists must be involved such as risk management, legal advisors and senior management.

Currently, the Board of Directors has identified the following material risk takers: the Head of Internal Audit, the Head of Operational Risk, the Head of Legal/Compliance, the Head of Finance, the Head of Customer Service, Collection & Legal Collection, the Head of Human Resources, the Head of Sales, the Head of Marketing, the Head of Risk and the Head of IT.

6. Annual review and compliance etc.

At least once a year, the Board of Directors will review the Policy with a view to adjusting it to suit Ekspres Bank's situation from time to time.

If amended by the Board of Directors, the amended Policy must be submitted to the Annual General Meeting for approval.

The Board of Directors is responsible for ensuring that the Policy is implemented.

The Board of Directors will lay down more detailed guidelines for monitoring compliance with the Policy, such guidelines to ensure among other things that a review will be made at least once a year to verify compliance. The result of the review must be communicated to the Board of Directors.

Ekspres Bank does not have a remuneration committee.