

Presentation of Avanza's remuneration policy for 2021

1. Introduction

This presentation refers to Avanza's remuneration policy for the financial year 2021 and has been prepared by reason of, inter alia, the Swedish Financial Supervisory Authority's regulation FFFS 2011:1 regarding remuneration policies in credit institutions. Avanza's remuneration policy has applied to all entities and employees in the Avanza Group. "Avanza" refers to Avanza Bank Holding AB (publ) and its subsidiaries Avanza Bank AB, Avanza Fonder AB and Försäkringsaktiebolaget Avanza Pension.

Avanza's remuneration regulations are worded in accordance with the requirements imposed by external regulations applicable to the operational spheres in which the Avanza Group companies operate. These regulations include, among others, the Swedish Financial Supervisory Authority regulations FFFS 2011:1, FFFS 2013:9 and FFFS 2013:10, regulation (EU) 2021/923, EU Directive 2013/36 (the Capital Requirements Directive, CRD), regulation (EU) 575/2013 (the Capital Requirements Regulation, CRR), regulation (EU) 2015/35 (Solvency 2), and applicable guidelines from EBA, ESMA and EIOPA.

For the CEO and other members of Avanza's group management, the applicable and approved guidelines for remuneration to senior executives apply in addition to Avanza's remuneration policy.

This presentation shall be published no later than in conjunction with the publication of the annual accounts.

2. Decision-making process

2.1 Remuneration Committee

Avanza's Board of Directors has established a Remuneration Committee in accordance with the requirements in external regulations. During 2021, the Remuneration Committee has comprised Mattias Miksche, Sven Hagströmer and Catharina Eklöf.

The Remuneration Committee is tasked with:

- conducting an independent assessment of Avanza's remuneration policy and remuneration system and prepare measures for monitoring the implementation of Avanza's remuneration policy and remuneration system;
- preparing the Board's proposal to the general meeting concerning guidelines for remuneration to senior executives;
- preparing the Board's resolution concerning remuneration to senior executives in each Group company, employees with overall responsibility for any of Avanza's control functions, and employees whose professional activities have an impact on the Avanza's risk profile.

The preparation of the Board's resolutions takes into account the long-term interests of shareholders, investors and other stakeholders.

2.2 Board of Directors and General Meeting

Avanza's remuneration regulations and remuneration system are adopted by the Board of Directors of the parent company and the respective subsidiary companies after preparation by the Remuneration Committee. The internal regulations are reviewed at least once a year and, additionally, when needed based on e.g. changes to external regulations.

Based on external regulations and a risk analysis, the Board of Directors once a year review and determine the employees whose professional activities have an impact on Avanza's risk profile.

In addition to the remuneration policy and remuneration guidelines adopted by Avanza's Board of Directors, the General Meeting of Avanza determines guidelines for remuneration to the Group management. These guidelines were most recently adopted by the Annual General Meeting of Avanza Bank Holding AB (publ) held on 17 March 2020 to apply until further notice.

3. Characteristics of the remuneration system

3.1 Overview

Avanza's remuneration rules are structured to encourage good performances and to attract new employees. They shall, at the same time, counteract excessive risk-taking and conflicts of interest and shall promote sound and efficient risk management. The remuneration system is applicable to all employees and is applied gender neutral.

The fundamental principle of Avanza is that only fixed remuneration shall be applied, which also applies to the CEO and the executive management. Fixed remuneration shall be determined in advance for the work that the employee is employed to perform and shall reflect relevant professional experience and organisational responsibility, as stated in the employee's contract of employment and job description.

Variable remuneration is applied restrictively and only a limited number of employees within a few departments are eligible to receive variable remuneration over and above their base salary. Exemptions from this fundamental principle shall be approved by the CEO or alternatively by the Board of Directors. As a main principle, the variable remuneration payable to an employee per annum shall amount to a maximum of 50% of the fixed annual salary for the employee and it shall be possible to set the variable remuneration at SEK 0.

3.2 variable remuneration

The variable remuneration is not pre-determined by amount or scale, and is determined for every individual employee based on quantitative and qualitative evaluation of performance in relation to set goals. The individual goals are linked to the overall goals of the department and the Avanza Group, the employee's main tasks, and shall not encourage excessive risk-taking or conflicts of interest.

The total variable remuneration disbursed to Avanza's employees may not be so sizeable that it limits Avanza's ability to maintain an adequate capital base or, where necessary, to strengthen the capital base.

Avanza's restrictive use of variable remunerations also include that Avanza does not apply variable remuneration that consist of discretionary pension benefits, that employees in control functions cannot receive variable remuneration, and that employees undertake not to use

personal hedging strategies or insurance to undermine the risk alignment effects of a deferred variable remuneration being adjusted or revoked.

3.3 Identification of risk takers and remuneration to such employees

Avanza has identified risk takers¹ based on the following employee categories in that individuals in these positions have typically been adjudged to be capable of having a material impact on Avanza's risk profile:

- senior executives;
- employees with responsibility for control functions;
- employees with responsibility for essential business units;
- employees with significant compensation according to FFFS 2011:1; and
- other risk takers who are adjudged to be capable of having a material impact on Avanza's risk profile.

Only one (1) identified risk taker has been eligible to receive variable remuneration in 2021. If a risk taker receive variable remuneration, at least 40% of the variable remuneration shall be deferred for between three and five years before disbursement in full or before title transfers to the employee.

Retained variable remuneration will only be disbursed to the employee when such disbursement is justifiable with due consideration for Avanza's financial position and when it is motivated by Avanza's and the employee's results. Such remuneration may also be totally revoked. Furthermore, should it subsequently become apparent that a previous decision regarding variable remuneration to a risk taker was based on incorrect data, the decision shall be reviewed.

3.4 Review and control

Once a year, the Remuneration Committee conducts an assessment of Avanza's remuneration policy and remuneration system, and prepare measures for monitoring the implementation of Avanza's remuneration policy, please see section 2.1 above. The Board of Directors of each Group company also supervises that the remuneration policy is applied and followed up.

Avanza's risk control function conducts a risk analysis once a year. The risk analysis includes all risks that Avanza is or maybe be exposed to, including risks associated with Avanza's remuneration policy and remuneration system. This risk analysis is used as basis for the Board of Director's determination of which employees that are to be considered as risk takers (see section 3.3 above) and the structure of Avanza's remuneration policy and remuneration system.

The internal auditor of Avanza performs a yearly audit of Avanza's remuneration system and the system's compliance with the remuneration policy. The result of the audit is reported to Avanza's Remuneration Committee as well as to the Audit-, Risk- and Capital Committee.

For more information about Avanza's remuneration, please see www.avanza.se/ir.

¹ The term "risk taker" is within Avanza synonymous with specifically regulated and identified personnel.