

## **THE BOARD OF DIRECTORS' PRESENTATION**

### **of the Remuneration Committee's evaluation of remuneration to the company's management**

The Board of Directors has appointed a Remuneration Committee comprising Sven Hagströmer, Jacqueline Winberg and Mattias Miksche. The members of the Remuneration Committee are independent in relation to Avanza Bank Holding AB (publ.) and the company's management.

The Board of Directors has adopted a remuneration policy governing the way in which the company shall formulate its remuneration system such that it encourages good performance, counteracts excessive risk-taking, and complies with applicable regulations. The Remuneration Committee is tasked by the Board of Directors with monitoring and evaluating ongoing variable remuneration programmes for the company's management, and those concluded during the year, and with monitoring and evaluating the application of the guidelines for remuneration to the company's management that must, by law, be approved by the Annual General Meeting of the company's shareholders, and also with monitoring and evaluating applicable remuneration structures and remuneration levels within the company. The Committee is also tasked with preparing the Board's resolutions on matters concerning remuneration principles, remuneration, and other terms of employment for the company's management.

The Remuneration Committee has evaluated the performance of the CEO in 2018 and prepared the Board's resolution on the fixed salary and variable remuneration for the CEO's and other members of the company's management. The Remuneration Committee has, furthermore, reviewed the guidelines for remuneration to the company's management, as adopted by the 2018 Annual General Meeting, and reviewed the company's remuneration structures and remuneration levels, including the company's incentives programme. During the year, the Remuneration Committee has discussed the difficulties with justifying a performance-based variable remuneration for the company's management when the company's results to a greater extent are affected by external factors than by the performance of individual executives. Variable remuneration based on results that are not affected by performance of individual executives is thus just as ineffective as a reduction would be unfair and difficult to justify if, instead, external factors were to affect company results negatively. The Remuneration Committee has therefore assessed that it is in the company's long-term interest to reduce the performance-based variable remuneration to zero and adjust the fixed remuneration to the company's management including the CEO with a percentage of the maximum possible variable remuneration. Based on the outcome of the performance-based variable remuneration in recent years, the aforementioned adjustment means lower costs and greater predictability for the company. A long-term ownership interest in the company is encouraged by the company's management being able to purchase warrants in the long-term incentive programme that is aimed at all employees.

The Committee has confirmed that there has been compliance with the guidelines for remuneration to the company's management during the year and that the company's remuneration structures and levels are in line with market conditions and are appropriate.

The company's incentive programme of share warrants is aimed at all employees of the Avanza Group. The Remuneration Committee is of the opinion that the results are satisfactory and confirms that the incentive programme is appreciated by the employees.

Stockholm, February 2019

*The Board of Directors of Avanza Bank Holding AB (publ.)*