

REMUNERATION REPORT 2023



Ringkjøbing
Landbobank

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Introduction

This remuneration report sets out the remuneration received in the 2023 financial year by each member of the board of directors and each member of the general management of Ringkjøbing Landbobank A/S, company registration (CVR) number 37536814.

The remuneration report also contains comparative figures for the 2019-2022 financial years. The remuneration awarded to the board of directors and the general management in the 2023 financial year was in accordance with the bank's remuneration policy.

The policy fulfils the requirement for a wage policy under section 77d of the Danish Financial Business Act and the requirement for a remuneration policy under sections 139 and 139a of the Danish Companies Act.

The policy was most recently approved at the bank's annual general meeting on 1 March 2023 and is available on the bank's website, www.landbobanken.com

The information in this remuneration report has been obtained from the bank's bookkeeping records and from the audited financial statements for the 2019-2023 financial years, available on the bank's website.

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Statement by the board of directors

The board of directors has today approved the remuneration report of Ringkjøbing Landbobank A/S for the 2023 financial year.

The report has been prepared in accordance with section 139b of the Danish Companies Act. However, for the purpose of providing a true and fair view, the remuneration report contains comparative figures for the 2019-2022 financial years only, since 2019 was the first full financial year after the merger of Ringkjøbing Landbobank A/S and Nordjyske Bank A/S in June 2018. It is recommended that remuneration reports should contain comparative figures for five financial years and thus five years' changes, but including comparative figures for the 2018 financial year would not have provided a fair basis for assessing the merged bank.

In our opinion, the report provides a general overview of the remuneration that the individual management members were awarded for the 2023 financial year. It explains how their overall remuneration is in accordance with the agreed remuneration policy, including how the remuneration furthers the bank's business strategy, long-term interests, sustainability and creation of value by supporting the bank's objectives.

The report will be submitted for a consultative vote at the annual general meeting to be held on 28 February 2024.

Ringkjøbing, 31 January 2024

Board of directors

Martin Krogh Pedersen
Chair

Mads Hvolby
Deputy chair

Jens Møller Nielsen
Deputy chair

Morten Jensen

Jon Steingrim Johnsen

Anne Kaptain

Jacob Møller

Lone Rejkjær Söllmann

Lene Weldum

Lisa Munkholm
Employee representative

Nanna G. Snogdal
Employee representative

Martin Wilche
Employee representative

Finn Aaen
Employee representative

Independent auditor's statement on the remuneration report

To the shareholders of Ringkjøbing Landbobank A/S

According to section 139b of the Danish Companies Act, the management is responsible for preparing a remuneration report in accordance with the remuneration policy approved at the general meeting.

Our opinion on the audit of the financial statements for 2023 does not cover the remuneration report, and we do not express any form of assurance conclusion regarding it.

In connection with our audit of the financial statements for 2023, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139b(3) of the Danish Companies Act are included in the company's remuneration report for 2023.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2023.

Herning, 31 January 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33771231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Carsten Jensen
State Authorised Public Accountant
mne10954

Financial performance

Please see the bank's annual reports for 2019-2023 for further information on the bank's financial performance in those financial years.

Remuneration of the board of directors and the general management

In accordance with the bank's remuneration policy, the bank's board of directors and the general management receive fixed remuneration.

The objective of the remuneration policy is to support the bank's business strategy of organic growth and the bank's long-term interests, as the policy does not encourage excessive risk taking and remuneration is not linked to short-term goals and operating results. The remuneration policy thus also contributes to sustainability.

The remuneration policy should also be seen in the context of the bank's social responsibility and sustainability policy, which is based on the bank's position in the local communities in which it operates and on the bank's core values: competent, responsive and proper.

The social responsibility and sustainability policy specifies that the bank wants to be a socially responsible and value-creating bank. The bank works to generate good, long-term results for its shareholders and to contribute to create a sustainable society, focusing on: customers, employees and society.

Remuneration of the board of directors

The members of the bank's board of directors receive only a fixed annual fee approved by the bank's shareholders' committee.

The aim is that the annual board of directors' fees are in line with market practices of comparable listed banks, taking into account the required skills, effort and remit of the members of the board.

Reflecting their extended duties, the remuneration of the chair and the deputy chairs is enhanced by multipliers of 2 and 1.33 respectively, based on the fixed annual board of director's fees.

Board members who are members of the nomination committee and the audit committee receive separate remuneration for these tasks.

The chair of the nomination committee and the chair of the audit committee receive a multiple of 2 of the fixed annual fee for nomination committee members and audit committee members respectively, for their extended duties.

Board members who are members of the remuneration committee and the risk committee receive no separate remuneration for these tasks.

The following fees for the 2023 financial year were approved by the committee of shareholders of the bank at its meeting on 26 April 2023:

Fixed annual fee (DKK)	2023
The board of directors	
Chair	720,000
Deputy chair	480,000
Member	360,000
Nomination committee	
Chair	60,000
Member	30,000
Audit committee	
Chair	60,000
Member	30,000

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Remuneration for the 2023 financial year

(DKK 1,000)

Name and position	Fixed annual fee			Total
	Director's fee	Nomination committee fee	Audit committee fee	
The board of directors				
Martin Krogh Pedersen ^{8,10}	720	60	30	810
Mads Hvolby ⁹	480	30	30	540
Jens Møller Nielsen ^{9,11}	480	30	60	570
Morten Jensen	360	30	-	390
Jon Steingrim Johnsen	360	30	-	390
Anne Kaptain	360	30	-	390
Jacob Møller	360	30	30	420
Lone Rejkjær Söllumann	360	30	-	390
Lene Weldum ³	300	25	-	325
Dan Junker Astrup (employee representative) ⁴	60	-	-	60
Lisa Munkholm (employee representative) ³	300	-	-	300
Nanna G. Snogdal (employee representative) ³	300	-	-	300
Arne Ugilt (employee representative) ⁴	60	-	-	60
Gitte E.S.H. Vigsø (employee representative) ⁴	60	-	-	60
Martin Wilche (employee representative) ³	300	-	-	300
Finn Aaen (employee representative)	360	-	-	360
Total	5,220	295	150	5,665

The overview does not include cost reimbursements to the board and committee members.

See explanations to notes on page 14.

Remuneration of the general management

Remuneration agreements and employment conditions for the members of the general management are negotiated between the remuneration committee, appointed by the bank's board of directors, and the individual general management member, for final approval by the board of directors. Remuneration agreements can be entered into for several years at a time.

The remuneration and its composition for each individual member of the general management are determined with a view to attracting and retaining competent general management members and ensuring compliance with the bank's remuneration policy.

The remuneration of all members of the general management is fixed and consists of the following components:

- a) Fixed base salary
- b) Fixed pension contribution
- c) Customary non-monetary employee benefits

Severance benefits may also be paid.

In addition, the bank has established a gross wage scheme in which general management members may participate. The value of any gross wage benefits is included in the remuneration details for the general management members.

Remuneration of the general management for the 2023 financial year

(DKK 1,000)

Name and position	Fixed remuneration	Pension contribution	Benefits*	Total remuneration	Proportion of fixed and variable remuneration
John Fisker, CEO	7,776	1,453	189	9,418	100% / 0%
Claus Andersen, general manager	3,644	423	190	4,257	100% / 0%
Jørn Nielsen, general manager	4,616	608	113	5,337	100% / 0%
Carl Pedersen, general manager	2,912	336	138	3,386	100% / 0%
Total	18,948	2,820	630	22,398	100% / 0%

* The overview contains employee benefits in the form of the annual tax value of a company car. The value of free telephone and free newspapers is not included.

Terms of termination and severance for the general management

Members of the general management are generally employed with a mutual right of termination, the period of notice being between 6 and 12 months for the general management members and between 12 and 24 months for the bank. The employment contracts also contain conditions for retirement without compensation entitlement.

Members of the general management are entitled to severance pay corresponding to up to 12 months' remuneration if their employment is terminated before they retire.

In addition, members of the general management are entitled to severance pay corresponding to up to 24 months' remuneration in the event of changes in the controlling interest in the bank.

Employment contracts with members of the general management may be indefinite (i.e. without a fixed term) and are subject to a maximum period of notice of 24 months.

The total payment to a general management member for termination and severance is generally two years' remuneration.

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Comparative overview

The development in the remuneration of the board of directors and the general management over the past five financial years is summarised in the table below.

Comparison of the development in the bank's performance and in the remuneration paid over the past five financial years (DKK 1,000 / percent)			
		2023	
Financial performance	2023	vs. 2022	2022
Profit before tax	2,836,671	+50.9%	1,880,136
Net profit for the year	2,155,222	+44.2%	1,494,897
Remuneration			
The board of directors			
Martin Krogh Pedersen, chair	720	+16.1%	620
Mads Hvolby, deputy chair	480	+16.2%	413
Jens Møller Nielsen, deputy chair	480	+16.2%	413
Morten Jensen, board member	360	+16.1%	310
Jon Steingrim Johnsen, board member	360	+16.1%	310
Anne Kaptain, board member ¹	360	-	233
Jacob Møller, board member	360	+16.1%	310
Lone Rejkjær Söllmann, board member	360	+16.1%	310
Sten Uggerhøj, board member ²	-	-	78
Lene Weldum, board member ³	300	-	-
Dan Junker Astrup, board member (employee representative) ⁴	60	-	310
Lisa Munkholm, board member (employee representative) ³	300	-	-
Nanna G. Snogdal, board member (employee representative) ³	300	-	-
Arne Ugilt, board member (employee representative) ⁴	60	-	310
Gitte E.S.H. Vigsø, board member (employee representative) ⁴	60	-	310
Martin Wilche, board member (employee representative) ³	300	-	-
Finn Aaen, board member (employee representative)	360	+16.1%	310
Nomination committee⁵			
Martin Krogh Pedersen, chair	60	-	-
Mads Hvolby, member	30	-	-
Morten Jensen, member	30	-	-
Jon Steingrim Johnsen, member	30	-	-
Anne Kaptain, member	30	-	-
Jacob Møller, member	30	-	-
Jens Møller Nielsen, member	30	-	-
Lone Rejkjær Söllmann, member	30	-	-
Lene Weldum, member	25	-	-
Audit committee⁶			
Jens Møller Nielsen, chair	60	+15.4%	52
Mads Hvolby, member	30	+15.4%	26
Jacob Møller, member	30	+15.4%	26
Martin Krogh Pedersen, member	30	+15.4%	26
The general management			
John Fisker, CEO	9,418	+20.0%	7,846
Claus Andersen, general manager	4,257	+3.7%	4,105
Jørn Nielsen, general manager	5,337	+16.6%	4,579
Carl Pedersen, general manager	3,386	+4.0%	3,255
The employees			
Average remuneration (salary and pension contribution) per full-time equivalent (FTE)	698 ⁷	+2.5%	681 ⁷
See explanations to notes on page 14.			

– continued

2022 vs. 2021	2021	2021 vs. 2020	2020	2020 vs. 2019	2019
+22.2%	1,538,111	+34.4%	1,144,310	-8.1%	1,245,421
+21.6%	1,229,265	+33.7%	919,714	-6.0%	978,265
+3.3%	600	+29.3%	464	+3.1%	450
+3.3%	400	+29.4%	309	+3.0%	300
+3.3%	400	+29.4%	309	+3.0%	300
+3.3%	300	+29.3%	232	+3.1%	225
+3.3%	300	+29.3%	232	+3.1%	225
-	-	-	-	-	-
+3.3%	300	+29.3%	232	+3.1%	225
+3.3%	300	+29.3%	232	+3.1%	225
-	300	+29.3%	232	+3.1%	225
-	-	-	-	-	-
+3.3%	300	+29.3%	232	+3.1%	225
-	-	-	-	-	-
-	-	-	-	-	-
+3.3%	300	+29.3%	232	+3.1%	225
+3.3%	300	+29.3%	232	+3.1%	225
-	-	-	-	-	-
+3.3%	300	+29.3%	232	+3.1%	225
-	-	-	-	-	-
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-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
+4.0%	50	-	-	-	-
+4.0%	25	-	-	-	-
+4.0%	25	-	-	-	-
+4.0%	25	-	-	-	-
+17.7%	6,664	+1.6%	6,558	+4.6%	6,269
+2.5%	4,003	-5.2%	4,224	+10.1%	3,837
+18.1%	3,878	+2.2%	3,793	+23.8%	3,064
+10.5%	2,947	-4.3%	3,080	-3.4%	3,190
+8.6%	627 ⁷	+2.0%	615 ⁷	-0.2%	616 ⁷

Comments on the comparative overview

Remuneration of the board members and the committee members

With effect from the 2023 financial year, the bank's shareholders' committee decided to adjust the remuneration paid to the board members and the audit committee members and to introduce separate remuneration of the nomination committee members based on a wish to pay market rates of remuneration.

It is proposed that the remuneration of the board members, the nomination committee members and the audit committee members continue unchanged in the 2024 financial year compared to the 2023 financial year. This will be recommended for approval at the bank's annual general meeting in 2024.

Remuneration of the general management members

Following a negotiation between the board of directors' remuneration committee and the general management members, in 2023 the board of directors reached an agreement with the general management members to adjust their remuneration. The purpose of the adjustment is to pay market rates of remuneration to the general management members.

Employee remuneration

The rates of increase for 2022 and 2023 should be viewed collectively because system adjustments were made.

Shareholdings of the board of directors and the general management

See note 41 of the annual report for 2023 for information on shareholdings of the board of directors and the general management.

The board of directors and general management, including the CEO, receive only fixed remuneration, and in accordance with the bank's remuneration policy, neither the board of directors nor the general management thus receive any share-based remuneration.

Compliance with the remuneration policy

The remuneration of the board of directors and general management for the 2023 financial year is consistent with the remuneration policy framework. Only fixed remuneration was paid in the 2023 financial year.

No deviation or derogation from the remuneration policy framework has thus been identified.

Result of consultative vote on the remuneration report for 2022

A consultative vote on the remuneration report for 2022 was held at the annual general meeting on 1 March 2023.

The consultative vote approved the remuneration report for 2022 by, respectively, 92.06% of the votes cast, computed on the basis of the number of represented votes, and by 94.57% of the votes cast computed on the basis of represented capital.

The bank's management regards the result of the vote as an endorsement of the bank's remuneration policy and of the remuneration of the bank's management.

Notes

¹ Joined on 2 March 2022

² Retired on 2 March 2022

³ Joined on 1 March 2023

⁴ Retired on 1 March 2023

⁵ Separate remuneration for work on the nomination committee commenced from the 2023 financial year.

⁶ Separate remuneration for work on the audit committee commenced from the 2021 financial year.

⁷ Please note that the average remuneration figure for the employees includes different kinds of one-off payments.

The total of the one-off payments may vary from year to year.

⁸ Chair of the board of directors

⁹ Deputy chair of the board of directors

¹⁰ Chair of the nomination committee

¹¹ Chair of the audit committee

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