



Remuneration Policy
Version 3.0

In effect from	Next review
30 April 2026	April 2027
Approved by	Author/Owner
Board of Directors / Annual General Meeting	Executive Management

1. Introduction

The Remuneration Policy has been prepared in accordance with section 77a and 77d(1) of the Danish Financial Business Act and sections 5-9 of Danish Executive Order No. 1242. Furthermore, the remuneration policy complies with the Instruction to the Executive Management section 9.4 statement: "Further instruction, risk appetite and reporting requirements are set in the policy".

The Remuneration Policy sets the framework for the remuneration for all employees at kompassbank (the Bank) and applies to all the Bank's employees. The policy outlines the principles of the total remuneration by components and how the policy supports the achievement of the Bank's strategy, milestones, long-term interest and economic sustainability. The Remuneration Policy was submitted for approval at the annual general meeting in April 2026 and will apply until the annual general meeting in 2027, unless material amendments are proposed, or the Board of Directors determines that a revised Remuneration Policy should be submitted for adoption at an earlier general meeting.

2. Policy objectives and link to the Bank's strategy

The objectives of the Bank's Remuneration Policy are to:

- Promote sustainable long-term value creation in the Bank.
- Ensure alignment between the interests of management and employees and the interests of the Bank and shareholders by ensuring that remuneration packages have a clear link to the Bank's strategy.
- Ensure that the remuneration of employees does not incentivise employees to take risks that exceed the bank's risk appetite ("remuneration risk")
- Support the Bank's ability to attract, motivate and retain qualified and high-performing employees in a competitive international market by offering an appropriate total remuneration package and protecting the shareholders ownership.

The Remuneration Policy contributes to achieving the Bank's ambitions and long-term interests in several ways:

1. The applied performance criteria (OKRs) and associated targets for the Bank's incentive programmes are aligned with the Bank's strategic focus areas.
2. The distribution between bonus payouts in cash and warrants seeks to ensure a balance between short-term and long-term results.
3. The payout partly in warrants under the incentive programme provide strong alignment with the Bank's long-term interests. In particular, the fact that the share-based variable remuneration of the Executive Management is deferred over a five-year period (four years for other material risk takers) and further retained for a period of minimum one year ensures that the Executive Management and other

material risk takers are continuously exposed to the development of kompasbank's share price.

The Bank's general incentive structure supports its business strategy, including the risk strategy and the risk tolerance across all risk types, such as credit, market, operational, liquidity, ESG, reputational and other risks identified by the Bank as well as the Bank's cultural commitments and values. The policy and the Bank's incentive structures focus on ensuring sound and effective risk management through clear guidance for setting goals, alignment with short and long-term sustainable priorities, and the prevention of conflicts of interest. It also ensures that the remuneration packages do not compromise the Bank's capital base and that incentives to take risk are balanced with incentives to manage risk.

In terms of the remuneration risk, especially the clear rules on Variable Remuneration and Exceptional Remuneration as set out in this policy, support that the Bank's remuneration does not incentivise risk taking outside the Bank's general risk appetite.

3. Corporate governance

The policy is reviewed by risk and compliance to ensure risk, capital, and liquidity limits are not exceeded. The aggregate bonus spend is approved annually by the Board of Directors. General rules on conflict of interest apply to the decision-making process.

The Bank does not have a dedicated Remuneration Committee. As a smaller institution with approximately 65 employees, the Bank is not required to establish a Remuneration Committee pursuant to section 77c(6) of the Danish Financial Business Act. The Board of Directors performs the tasks assigned to the Remuneration Committee, including preparing remuneration decisions, monitoring the Remuneration Policy, and assessing the incentives created by the remuneration structure with regard to risk, capital, and liquidity management.

4. Remuneration - all employees

At least once a year, individual performance is evaluated and new goals are set during appraisal dialogues. The general remuneration components are:

- Base salary
- Fixed allowances
- Pension schemes and other benefits
- Variable remuneration
- Exceptional remuneration components

5. Base salary, fixed allowances, pension schemes and other benefits

Base salary is determined by the role, responsibility, experience, and market conditions. Fixed allowances are limited and governed by internal governance. Pension schemes are mandatory defined-contribution plans. Other benefits, such as mobile phones, health insurance, and company cars for certain groups, are aligned with local market practices.

6. Variable remuneration

Variable remuneration such as cash bonus or warrants rewards performance in line with strategy, annual milestones and the general expectations set out in the Bank's Sound Company Culture Policy. It is based on a balance of financial and non-financial milestones. For customer-facing roles, it is a key principle that remuneration promotes fair treatment of customers.

The cap on variable remuneration is 50% of fixed remuneration for the Board of Directors and the Executive Management, and 100% for other employees. Variable remuneration exceeding DKK 100,000 annually is split into cash bonus and warrants and deferred over a minimum period of five years for the Board of Directors and the Executive Management and four years for other material risk takers.

Control functions

Any variable pay for employees in control functions (e.g., 1st line Credit Controlling, AMLO, Risk Management, or Compliance) must be independent of the results of the areas they monitor.

Credit & transaction advisory services

In accordance with section 77f of the Danish Financial Business Act, variable remuneration for employees providing credit and/or transaction advisory services to customers shall not be dependent on the number or proportion of approved credit applications, transaction accounts, transaction volume or other sales-related targets. Variable remuneration for these employees must be based on quality criteria, customer satisfaction, and compliance with the Bank's procedures and applicable regulation.

An employee who receives variable remuneration linked to credit advisory or transaction services may not simultaneously hold credit approval authority or transaction account opening authority.

Material risk takers

The Board of Directors identifies employees whose professional activities have a material impact on the Bank's risk profile (material risk takers) in accordance with section 2 of Executive Order no. 1242. Material risk takers always include all members of the Board of

Directors and the Executive Management. The Board Secretary maintains an updated list of the names of persons currently holding these roles and other material risk takers, which is reviewed at least annually by the Board of Directors.

Payment upfront or deferred and repayment

For variable remuneration exceeding DKK 100,000 annually, at least 40% shall be deferred. At least 50% of the total variable remuneration, both upfront and deferred, shall consist of shares, warrants, or equivalent instruments.

Payment of deferred variable remuneration may be reduced or cancelled in whole or in part if: the Bank's financial situation has significantly deteriorated; the criteria underlying the original calculation are found not to have been met; the recipient's actions have resulted in significant losses for the Bank; the recipient no longer meets fit and proper requirements; or the Bank has received an enforcement measure from the Danish Financial Supervisory Authority. The Bank may require repayment of variable remuneration already paid if it was based on information subsequently documented as incorrect and the recipient was in bad faith, or if the recipient has acted contrary to applicable regulation or the Bank's policies.

Proportionality

As a smaller financial institution, the Bank applies the proportionality principle in accordance with section 12 of Executive Order no. 1242. The Board of Directors has decided that for variable remuneration not exceeding DKK 100,000 annually per recipient, all requirements may be waived where the Board of Directors assesses this as prudent. This assessment is reviewed and documented annually by the Board of Directors.

Solvency restriction

No variable remuneration shall be paid to members of the Board of Directors or the Executive Management if, in the period from and including the period to which the variable remuneration relates and until the time where the variable remuneration is calculated, the Bank has received a deadline from the Danish Financial Supervisory Authority pursuant to section 225(1) or (4) of the Danish Financial Business Act to comply with solvency requirements.

7. Exceptional remuneration components

Includes buyouts from other contracts, sign-on fees, guaranteed bonuses, and retention bonuses, is allowed to be granted when a clear business need exists and subject to the following requirements: 1) These components are generally limited to the first year of employment; 2) The agreement is entered into in connection with the hiring of the employee; 3) The Bank maintains a sound and solid capital base at the time of the award. Furthermore, these components must generally not exceed one year's fixed remuneration.

If an exception is made for a key talent that falls outside these three conditions, the award will be classified as a variable remuneration and must comply with the full requirements for deferral, instrument split (warrants), and the variable pay cap.

Severance pay is payable in accordance with applicable legislation. Severance payment agreed at the time of employment shall not exceed 24 months' total remuneration. Severance payment agreed at the time of termination shall not exceed 12 months' total remuneration. Severance shall not reward bad faith failure or misconduct.

8. Diversity and equal pay

Remuneration is determined without regard to gender, race, or other discriminatory factors. The Bank strives to promote equality and perform regular internal reviews to ensure targets for diversity and equal pay are met.

9. Remuneration of the Board of Directors

Members receive a fixed annual base fee and are not entitled to pension contributions. Members may receive warrants up to a maximum of 12.5% of their fixed annual base fee, subject to approval by the Annual General Meeting.

10. Remuneration of the Executive Management

Salary consist of:

- Base salary: Guaranteed monthly cash reflecting responsibility and experience.
- Pension schemes: mandatory participation in the Bank's pension scheme.
- Benefits: Car, health insurance, health checks, and other in-kind benefits.
- Variable remuneration: Cash bonus based on performance in line with the Bank's strategic objectives.
- Incentive programme (warrants): Target payout is 10% of remuneration up to a maximum of 12.5%. Subject to five years' deferral and one year's holding period.

11. Deviation from the policy

The Board of Directors may temporarily deviate from the policy in exceptional circumstances to serve long-term interests. Any deviation must be described in the Remuneration Report.

12. Approval

Adopted by the Board of Directors on 14 April 2026.

The Remuneration Policy has been approved by a sufficient majority at the Bank's annual general meeting on 30 April 2026.

13. Monitoring, control, reporting and publication

Annual reporting by Executive Management

The Executive Management shall annually prepare relevant documentation for the Board of Directors to assess that remuneration paid complies with the Remuneration Policy and applicable legislation.

The annual internal documentation and reporting shall as a minimum include:

- Remuneration paid and committed to the Executive Management
- Remuneration paid and committed to the Chief Risk Officer
- Remuneration paid and committed to the Head of Compliance
- Remuneration paid and committed to any other material risk takers
- A summary of the background for any variable remuneration awarded to material risk takers
- Result of annual controls and other ad hoc controls of the compliance with this policy and applicable legislation

Reporting at the Annual General Meeting

The Chairman of the Board of Directors shall in the Chairman's Report to the Annual General Meeting include:

- Remuneration awarded to the Executive Management and the Board of Directors for the previous year
- Remuneration for the current and coming year for the Executive Management and the Board of Directors
- The main elements of the Remuneration Policy and its compliance. The Chairman is allowed to limit the overall explanation and reasoning of any changes to the Remuneration Policy (ref. Karnov)

Controlling

The Board of Directors shall detail the framework for control and review of the Bank's remuneration's compliance with this policy. Such review and control shall include a clear justification of its findings.

Publication

The content of this Remuneration Policy will be publicly available on the Bank's website. The Annual Remuneration Report for Executive Management and Board of Directors will also be publicly available on the website.

Version Control

Date	Version	Update	Reviewed by	Author/Owner
15-10-2018	1.0	Submission to Finanstilsynet		Head of Legal & Compliance / BoD
04-09-2019	1.1	Adjustments based on Finanstilsynets feedback		Head of Legal & Compliance / BoD
26-04-2021	1.2	Adjusted to reflect BEK 2169 "Bekendtgørelse om lønpolitik..." from 22-12-2020 and LBK "Lov om finansiel virksomhed" from 11-09-2020		CRO/ BoD
24-03-2022	1.3	Minor changes to reflect job-titles and an updated list of material risk takers	ExMa, CRO, Compliance, Head of Risk Management	Legal
28-03-2023	1.4	Changes to update the template to the internal policy template. Minor changes to the wording to reflect the reporting and the title of the Head of Compliance.	ExMa, CRO, SLT	Legal
29-04-2024	1.5	Annual update. Updated to reflect recommendations from the Danish FSA published February 2024	ExMa, SLT, Head of Compliance, Head of Risk Management	Legal & Head of People and Culture
08-04-2025	1.6	Annual update. No significant changes have been made to the remuneration policy approved by the 2024 Annual General Meeting.	ExMa, SLT, Head of Compliance, Head of Risk Management	Legal & Head of People and Culture
Nov 2025	2.0	Completely new version. Draft version. Not implemented.		Legal & Head of People and Culture

Date	Version	Update	Reviewed by	Author/Owner
April 2026	3.0	<p>Changes made in this version:</p> <p>Variable remuneration cap revised — the cap is now explicitly set at 50% for the Board of Directors and Executive Management, and 100% for other employees, replacing the previous general DKK 100,000 cash limit.</p> <p>Proportionality principle added — the Bank formally applies the proportionality principle under BEK §12, allowing deferral, instrument and retention requirements to be waived for variable remuneration not exceeding DKK 100,000 annually.</p> <p>Solvency restriction added — no variable remuneration may be paid to the Board or Executive Management if the Bank has received a solvency deadline from the Danish FSA.</p> <p>Credit and transaction advisory services added — explicit prohibition on linking variable remuneration for credit advisors and transaction banking advisors to sales targets, in accordance with §77f of the Financial Business Act.</p> <p>Clawback conditions expanded — conditions for reduction and repayment of deferred variable remuneration are now explicitly listed, including</p>	ExMa, SLT, Head of Compliance, CRO	Legal & Head of People and Culture

Date	Version	Update	Reviewed by	Author/Owner
		<p>bad faith scenarios and FSA enforcement measures.</p> <p>Severance pay clarified — a distinction is now drawn between severance agreed at time of employment (max 24 months) and severance agreed at time of termination (max 12 months).</p> <p>Remuneration Committee absence explained — the policy now explicitly states that the Bank is not required to establish a Remuneration Committee and that the Board performs these tasks.</p> <p>MRT governance strengthened and made explicit — the policy now includes a dedicated Material Risk Taker section, and that their variable remuneration shall not depend on results in the areas they are responsible for controlling.</p>		