

Remuneration Policy 2025

Nordea Kredit Realkreditaktieselskab A/S, CVR no. 15134275
Adopted by the general meeting 1 April 2025

About this Remuneration Policy

Nordea Kredit Realkreditaktieselskab A/S ("Nordea Kredit" or "company") is a wholly owned subsidiary to Nordea Bank Abp Finland. Nordea Kredit must therefore fulfil Finnish and Danish remuneration regulations as well as rules issued by the European Banking Authority (EBA).

The Remuneration Policy for Nordea Kredit sets the framework for the remuneration of members of the Board of Directors, members of the executive management and its employees. It has been prepared in accordance with the requirements of section 77d of the of the Danish Financial Business Act (*lov om finansiel virksomhed*) and executive order no. 1242 of 10 June 2021 on remuneration policy and remuneration in financial institutions etc. and is a summary of the Group Board Directive on Remuneration for 2025 as amended for Nordea Kredit.

It has been adopted by the general meeting of Nordea Kredit on 1 April 2024 following recommendation from the Board of Directors on Nordea Kredit and applies for remuneration earned as of 1 January 2025.

The Remuneration Policy is supported by instructions for the different pay components with details design principles and governance which are all approved by the Board of Directors after recommendation from the Board Nomination and Remuneration Committee (BRC).

The aim of this Remuneration Policy is to:

- support Nordea Kredit's ability to recruit, develop and retain highly motivated, competent and performance-oriented employees and hence support Nordea Kredit and Nordea Group strategy
- ensure that employees are offered a competitive and market-aligned total reward offering
- support gender-neutral remuneration through application of Nordea's pay principles
- support sustainable results and the long-term interests of shareholders by including goals directly linked to the performance of Nordea and by awarding parts of variable pay in shares or other instruments
- ensure that remuneration at Nordea is aligned with efficient risk management, the Nordea purpose and values and applicable regulations

Nordea has a total remuneration approach to compensation that recognises the importance of well-balanced but differentiated remuneration structures based on business and local market needs as well as the importance of having remuneration that is consistent with and promotes sound and effective risk management and that does not encourage excessive risk-taking or counteract Nordea's long-term interests.

Accordingly and for all employees, remuneration packages must be appropriate and comprise fixed and, where applicable and to support strategy delivery, variable components as well as pension benefits. Furthermore, remuneration packages must be free from discrimination based on gender, religion, sexual orientation, political affiliation, or ethnic background. They should reflect individual roles and competencies while contributing to job satisfaction and high-quality performance. Employees must receive equal pay for equal work or work of equal value. Any pay disparities must be justified by objective, gender-neutral factors.

Corporate Governance

The Board of Directors of Nordea Kredit has established BRC to prepare matters concerning remuneration. A description of the committee's composition, tasks, and responsibilities can be found in its charter available at www.nordeakredit.dk. The BRC held two meetings in 2024.

The Risk Committee of the Board of Directors also assesses whether the incentives provided by the Company's remuneration structure appropriately consider the Company's risks, capital, liquidity, and the likelihood and timing of payments.

The Board annually reviews the remuneration policy before the end of March and as necessary due to changes in regulations or developments in Nordea Kredit's operations. Amendments to the policy are subject to approval by the General Meeting.

The BRC monitors, at least annually, the remuneration of management responsible for compliance and risk control, including the compliance function and the head of internal audit. Various control functions including compliance and audit contribute to implementing incentive structures and back-testing outcomes before deferred/withheld amounts are paid.

The Board ensures that the Company's internal audit annually verifies compliance with the remuneration policy, with findings reported to the Board.

Employees and their leaders annually evaluate the employee's performance and sets new goals for the coming year. Decisions regarding potential adjustments to fixed salaries and the award of variable pay are generally based on this evaluation. All salary increases, participation in variable pay schemes, and allocations thereof require approval from the manager's superior (grandparent principle). Furthermore, the decision making processes have been structured in order to avoid conflict of interests in accordance with applicable regulations. The CEO and Deputy CEO and other employees do not participate in considerations and/or decision making regarding remuneration related matters in so far as they are affected by such matters.

Remuneration Components

Remuneration packages aim for an appropriate balance between fixed and variable pay and consists of the following elements:

- Fixed salary (including fixed personal allowances)
- Variable pay, including:
 - Nordea Incentive Programme (NIP)
 - One Time Recognition Payments
 - Profit-sharing
- Pension schemes
- Additional employee benefits
- Sign-on bonuses, buyouts from other contracts, and retention bonuses
- Severance payments.

Fixed remuneration is determined by job complexity, responsibilities, performance, and local market conditions. Any fixed personal allowance relates to specific job functions and is paid monthly alongside the fixed salary.

Variable pay can be awarded to employees to recruit, retain, and motivate them towards strong performance while also supporting Nordea Kredit's cost flexibility. When setting targets for variable pay, the following is observed:

- Alignment with Nordea Group and Nordea Kredit's business strategy, values, and leadership principles;
- Consistency with Nordea Group and Nordea Kredit's short-, medium and long-term objectives;
- Clear weightings for targets at the Group, company, unit, and individual levels;
- Inclusion of financial and non-financial targets, with financial targets adjusted for risk wherever possible;
- Examples of financial targets: Return on Equity, cost levels, operating profit, and market shares;
- Examples of non-financial targets: Customer satisfaction or customer focus, employee satisfaction or employee focus, sustainability (ESG), implementation of new products, processes, systems,

compliance, risk management, employee development, personal competency growth, and team collaboration;

- Avoidance of incentives for excessive risk-taking;
- Adherence to principles for protecting customers and avoiding conflicts of interest; and
- Flexibility to reduce variable pay pools or individual variable pay awards in case of poor or negative results for Nordea Group or Kredit.

The Nordea Incentive Programme (NIP) is offered to select senior executives and may amount to a maximum of 70% of their fixed base salary while observing the requirements of Danish regulations for e.g. executive management.

One-time recognition payments can be awarded for extraordinary performance or temporary project work, typically capped at one month's base salary and generally not exceeding a DKK value equivalent to EUR 10,000.

Profit-sharing applies to all employees except executive management and risk-takers participating in other variable pay plans. It is based on the Group's risk-adjusted results and capped at EUR 3,200 for full-time employees. For 2024, the allocation was the DKK equivalent of EUR 2,620.

Pension and insurance schemes ensure employees have adequate coverage in case of acute illness, disability, or death, as well as a pension providing a suitable standard of living upon retirement. Most schemes are contribution-based, with a standard employer contribution of 11.98% in line with the relevant collective agreements. Higher contributions may apply for certain employees, including executive management, often due to historical agreements. Nordea Kredit does not use discretionary pension benefits.

Other employee benefits are based on collective agreements, Nordea Kredit's practices, or individual arrangements.

Sign-on bonuses are granted only in exceptional cases, with approval from the leader of the hiring manager and the Reward Partner, and are limited to the first year of employment, conditional on Nordea Kredit maintaining a sound and robust capital base. Any substantial sign-on bonuses require approval by the CEO of Nordea Group. Buyouts and retention bonuses are considered variable pay and are subject to relevant rules.

Severance payments are made in accordance with applicable laws and collective agreements. Certain key employees may have specific agreements entitling them to severance pay beyond statutory or collective agreement provisions.

Sound risk management and Material Risk Takers

Variable pay is a driver of remuneration risk and could if not managed result in customer detriment, financial losses and reputational impacts. Accordingly it is a key focus area including with respect to the risks associated with governance, target setting, performance measurement, fraud etc.

The following principles serve as examples to ensure sound risk management:

- For different categories of employees, there must be a suitable balance between fixed and variable pay, with the fixed salary sufficiently high to allow Nordea Kredit to implement ex ante and ex post risk adjustment that could result in reducing or even removing the payment of variable pay.
- The Board of Directors has decided that no employee may receive variable pay exceeding 200% of their fixed salary, including pension contributions. This also includes material risk-takers, in compliance with Danish remuneration regulations. It should be noted that no employee of Nordea Kredit has a maximum that exceeds 70%
- Variable pay, including deferred and retained variable pay for Material Risk Takers, is paid only if it aligns with the financial situation of Nordea Group and Nordea Kredit and is justified based on the performance of the Group, Nordea Kredit, the relevant business unit, and the individual employee.

- Variable pay, whether deferred, retained, or paid out, may be wholly or partially forfeited or subject to clawback if the employee:
 - (i) has participated in or been responsible for actions resulting in significant losses for Nordea or Nordea Kredit, and/or has failed to meet appropriate standards of fitness and propriety; or
 - (ii) has breached internal or external regulations or guidelines relevant to their position.
- Principles for identifying Material Risk Takers are determined by the Board of Directors, adhering to Danish, Finnish, and EBA guidelines.
- For Material risk-takers, 40–60% of earned Nordea Incentive Programme (NIP) are deferred over four to five years, with pro-rata payment followed by a 12-month retention period on instruments (Nordea shares) . Fifty percent of deferred and retained variable pay is granted in the form of shares in Nordea Bank Abp (excluding dividends). Employees are prohibited from hedging risks associated with fluctuations in the Nordea Bank Abp share price.
- Deferred and retained variable pay or shares under NIP are subject to ex ante and ex post risk adjustment clauses under which variable pay awards could be subject to "forfeiture and clawback" if paid/distributed based on information later found to be manifestly incorrect or inaccurate.

Remuneration of the executive management

The principles governing the remuneration of executive management are designed to ensure that Nordea Kredit is able to recruit and retain the best employees with the competence and capacity to assume overall responsibility for Nordea Kredit with respect to business development and performance, as well as the company's relationships with financial authorities and society at large.

The remuneration of executive management, as determined by the Board of Directors, consists of a fixed salary, participation in the Nordea Incentive Programme (NIP), pension contributions, and customary employee benefits appropriate for the position. The award from variable pay cannot exceed 50% of the fixed remuneration.

The NIP may constitute a maximum of 70% of the fixed base salary and is disbursed in cash and instruments (Nordea shares) as follows: 60% will be paid out when NIP is awarded, equality split in cash and instruments. Remaining 40% will be deferred over 4 to 5 years equal paid out the deferral period. If NIP exceed DKK 750.000 in the earning year the deferral will be 60% over 4 to 5 years.

Members of executive management are entitled to severance payments in accordance with §13 of Executive Order No. 1242 of 10 June 2021 and the adopted remuneration policy.

Remuneration of the Board of Directors

Employees of Nordea Group do not receive remuneration for serving as board members of Nordea Kredit. The remuneration of external board members is determined by the general meeting. Such remuneration is fixed, paid quarterly, and typically adjusted in line with the board remuneration of Nordea Kredit's principal shareholder.

Remuneration related disclosures

Information relating to remuneration of the external members of the Board of Directors, members of executive management and other Material Risk Takers are included in Nordea Kredit's annual report (note 5). Furthermore, a Remuneration Report for the Board of Directors and members of the executive management are disclosed on www.nordeakredit.dk.