

Remuneration Report

The Remuneration Report has been prepared on the basis of a new recommendation from the Committee on Corporate Governance (published on 23 November 2017).

The BANK of Greenland's remuneration policy is intended to ensure that the bank's remuneration is in accordance with the legislation applying to Greenland, and the recommendations for corporate governance, and also that the bank can attract, motivate and retain qualified members of the Board of Directors and management, as well as other employees.

The remuneration policy will ensure appropriate balance between the Executive Management's fixed remuneration and any variable remuneration. The remuneration is intended to ensure long-term value creation. The remuneration policy must therefore promote sound and effective financial management by not creating incentives for exaggerated risk-taking, or promoting unilateral short-term decisions to the detriment of the long-term needs and goals of customers and shareholders, as well as the bank.

Remuneration to the Executive Management.

The Executive Management consists of one person. The table below presents the remuneration of the Executive Management for 2018 and previous years:

TDKK	2018	2017	2016
Fixed salary, including value of free car, etc.	2,732	2,685	2,631
Pension	460	448	442
Provision for conditional pension/severance scheme	265*	259*	245*
In total (TDKK)	3,457	3,392	3,318

* The Bank has established a defined-benefit and conditional severance/pension scheme for the bank's managing director. Under this scheme, subject to certain specifically agreed terms, the bank is obliged to pay a fixed benefit for a period of time following the managing director's retirement. The present value of the year's share of the accumulated conditional obligation for the year 2018 is TDKK 265, which is recognised under pensions to the Executive Management. This obligation, which is earned during the 2016-2023 period, may in total comprise 0-24 months' salary. There are no other variable salary elements in the Executive Management's remuneration.

Remuneration to the Board of Directors:

The remuneration for Board work for 2018 was set at DKK 125,000, whereby the Chairman of the Board of Directors receives double remuneration, and the Vice Chairman receives one and half times the remuneration. The remuneration for the Audit and Risk Committee work amounts to DKK 50,000, whereby the Chairman of the committee receives double remuneration. The remuneration for other committee positions, as before, amounts to DKK 10,000 to all members. No members receive special remuneration for consulting work for the BANK of Greenland. The members' travel expenses are covered.

The remuneration of the Board of Directors of the BANK of Greenland is distributed as follows:

	Chairman	Vice Chairman	Board member
Board remuneration	250,000	187,500	125,000
Audit and Risk Committee	100,000	50,000	50,000
Nomination Committee	10,000	10,000	0
Remuneration Committee	10,000	10,000	10,000
In total	370,000	257,500	185,000/175,000

The table below presents the remuneration of the individual Board members in total for both Board and committee work.

TDKK	2018	2017	2016
Gunnar í Liða	370	270	270
Kristian F. Lennert	257.5	183	183
Frank O. Bagger	43.25 (resigned)	125	125
Anders J. Brøns	175 (resigned)	125	125
Christina F. Bustrup	175	125	125
Lars Holst	175	125	125
Ben Arabo	92.5 (joined and resigned)	-	-
Maliina B. Abelsen	131.25 (joined)	-	-
Arne G. Petersen	-	104 (resigned)	125
Allan Damsgård	-	115 (resigned)	125
Hans N. Boassen	175	10 (joined)	-
Yvonne J.P. Kyed	185	135	135
Elise Zeeb	175	21 (joined)	-
In total (TDKK)	1,955	1,338	1,338

Prepared: January 2019