

Remuneration Policy



Legal basis

FFFS 2011:1; EBA Guidelines 2013/36/EU article 74.3 and 75.2; 2013/57/EU article 450; EBA/GL/2015/22

Adopted by	Accountable	Revision	Adoption date	Previous adoption date	Prepared by
Board of directors	CEO	Yearly	200130	190528	CCO

CHANGELOG
190528 – New policy in its entirety, change to ENG
200130 – Yearly revision, removal of some parts with regard to the compliance audit, the inclusion of some aspects previously not covered regarding fixed remuneration etc.

1 Introduction

The board of Directors works to ensure that GCC has good internal governance and internal control. The Board is responsible for ensuring that GCC follows laws and relevant national and European regulations that regulate GCC:s business. The Board shall establish internal rules and policies on an annual basis and ensure that these are followed and regularly are monitored and evaluated within the business. The Board is ultimately responsible for ensuring that GCC has an appropriate and efficient business, as well as a well-developed system for risk management and compliance.

2 Applicability

This policy covers GCC Board, management, all employees, consultants, partners, agents, and contractors affected by GCC business. The policy applies to all parts of the business and also includes activities and areas that are outsourced to other parties.

3 Responsibility

The Board is responsible for establishing this policy. The CEO is responsible for ensuring that the policy is made available to everyone affected by it.

The CEO is responsible for informing everyone concerned with the provisions of this policy. This means ensuring that employees, consultants, partners, agents, contractors who are affected by this policy are familiar with and comply with its content. The CEO or the person appointed by the CEO is responsible for issuing the more detailed rules needed to facilitate the application of this policy.

4 Entry into force and amendments

This policy shall be revised on an ongoing basis and amended as necessary following the decisions of the Board. The CEO is responsible for assessing and updating the content of this policy on an annual basis and for submitting it to the Board with any proposed amendments. The policy must be adopted by the Board at least every year, even if there are no amendments to be decided on.

5 Background

According to FFFS 2011:1, there must be internal rules for GCC:s remuneration system. EB/GL/2015/22 provides guidelines for a sound remuneration policy under Article 74(3) and 75(2) of Directive 2013/36/EU and information in accordance with Article 450 of Regulation (EU) No 575/2013.

The Board's decision on remuneration policy is based on the risk analysis carried out by the risk function as stated in this policy.

6 Purpose

The purpose of this policy is to ensure that all remuneration paid to employees is consistent with and promotes sound and effective risk management and counteracts excessive risk-taking.

7 Role of the board

The Board's decision on remuneration policy is based, among other things, on the analysis carried out in accordance with this policy.

The board decides on:

- Remuneration to the executive management
- Remuneration to employees who have overall responsibility for any of GCC:s control functions
- Measures to monitor the application of this policy. In cases where the annual general meeting has resolved on remuneration issues, this decision must also be followed.

8 Remuneration Committee

The board does not consider it necessary to set up a special remuneration committee. The board has therefore appointed a special member primarily tasked - impartially and independently - to:

- prepare the board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for senior executives and control function officials, along with other significant remuneration decisions
- follow up and evaluate ongoing and completed programmes for variable remuneration for info management during the year
- follow up and evaluate the application of the policy, including applicable remuneration structures and remuneration levels in info, as well as the guidelines for remuneration to senior executives that the annual general meeting must by law decide on
- assess the remuneration policy, its suitability, how the policy affects info risks and risk management, and info remuneration system.

The risk function must assist the member in the duties according to this point.

9 Risk analysis and control

The risk function must help to annually perform an analysis with the aim of identifying employees whose tasks have a significant impact on GCC:s risk profile. In the analysis, all risks should be taken into account that GCC is or may be exposed to, including the risk associated with GCC remuneration policy and remuneration system. The analysis must be documented and presented to the board.

The risk analysis is based on the Commission Delegated Regulation (EU) 604/2014, which deals with regulatory technical standards regarding qualitative and quantitative criteria for determining the categories of staff whose work has a significant impact on an institution's risk profile.

The risk analysis must also take into account GCC:s own assessment of activities that may have a significant impact on the risk profile.

The risk function must also examine whether GCC:s remuneration system is in accordance with the remuneration policy. The audit must be reported to the board no later than in conjunction with a portion of the annual report.

The independence of the risk function is regulated in the policy for the risk management function. The internal audit must conduct an independent review of the design and implementation of the institution's remuneration policy and its effects on the institution's risk profile.

10 Fixed remuneration

The basic remuneration model for all employees is fixed remuneration.

Fixed remuneration in the form of basic salary and customary pension provisions is normally paid to all employees. The fixed remuneration is based on the employee's performance, competence, duties, experience, position and external conditions in the labour market.

10.1 Fixed remuneration guideline

GCC applies individual fixed remuneration. The assessment is mainly made on the basis of the following points:

- Work result
- Competence
- Role

10.2 Remuneration audit

Salary audits take place annually, during the first quarter of each year. Exceptions apply to new employees where this year's salary audit is included in the agreed starting salary. The salary changes shall apply from 1st April of each year unless otherwise agreed. It is each manager's responsibility to initiate salary talks with each employee.

11 Information

All employees must receive information on the criteria that govern their remuneration and how their results are assessed.

12 Disclosure

The internal rules for remuneration set forth in this policy must be published on GCC:s website in accordance with the requirements applicable under FFFS 2011:1 and in accordance with Article 450 of Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms.

An account of GCC:s remuneration must also be published in connection with the adoption of the annual report. The report must be published as an annexe to the annual report or on GCC:s website. If the report is not included in or added as an annex to the annual report, GCC must state in the annual report where the information is published. The report must be available for at least one year from the publication.

The board is ultimately responsible for the publication of this information.