

THE BOARD'S PROPOSAL ON THE GUIDELINES FOR COMPENSATION TO COMPANY MANAGEMENT

The board of directors proposes the AGM to resolve on guidelines for compensation for company management as follows. The guidelines have been developed in accordance with new EU regulation on shareholders' rights that have been implemented through amendments to the Swedish Companies Act and the Swedish Corporate Governance Code. The guidelines shall apply until new guidelines have been adopted by the AGM and apply for a maximum of four years.

Extent

The following guidelines includes the board of directors (as applicable), the CEO and other members of the group management in SkiStar AB, which jointly will be referred to as senior management below. These guidelines shall apply to new agreements and to changes made in already agreed remuneration, from the time the AGM resolves on the new guidelines. The guidelines do not apply to fees decided upon by general meetings.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

SkiStar shall create memorable mountain experiences as the leading operator of European alpine destinations. As a listed company, SkiStar shall create value for the company's shareholders and promote long-term sustainability work in all operations.

For further information about SkiStar's strategy, long-term interests including financial and operational targets, as well as sustainability work, see www.skistar.com/sv/corporate and the annual report which is available on the said website no later than three weeks before the AGM.

A successful implementation of the company's business strategy and to capture the company's long-term interests, including its sustainability, presupposes qualified employees. Therefore, it is required that SkiStar can offer competitive compensation. The company's remuneration structure shall

- contribute to a consensus between senior management and the shareholders in terms of the long-term perspective on the operations, including promotion of the company's business strategy, long-term interest and sustainability,
- ensure that senior management receive market-based, competitive remuneration, enabling the company to recruit, motivate and keep competent employees,
- presuppose senior managements' compliance with the company's code of conduct, policies and directives, and
- offer a salary based on the company's financial targets as well as senior management's individual responsibility, competence, performance, work assignments, experience and position.

Variable remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

Remuneration and forms of remuneration

The total compensation for senior management shall be reviewed regularly, at least once a year, to ensure that it is on market terms. The compensation may consist of the following components to create a well-balanced total compensation that proves both the short-term and the long-term target-based governance and target fulfilment; fixed cash salary, variable remuneration/bonus including commitment to acquire shares, pension benefits and other benefits.

Fixed cash-salary

Senior management shall be offered a fixed cash salary that is market-based in relation to responsibility, competence, performance and regional salary level. The fixed salary shall be determined annually, effective for the period September-August.

Variable remuneration/bonus including commitment to acquire shares

Senior management are entitled to a variable remuneration/bonus in cash, based on the current bonus program for the senior management of SkiStar AB, in accordance with the decisions of the board of directors. Bonuses shall be related to measurable criteria established by the board regarding the company's performance regarding earnings per share, return on equity, operating margin and organic growth measured for each financial year. If the Board would assess that the business strategy and the company's long-term interests, including its sustainability work, would be better promoted if the criteria are supplemented or changed, these guidelines allow such changes to be made.

Bonuses for the CEO may amount to a maximum of 60 % of 3 x monthly salary x 12. However, the bonus can not exceed 60 % of the current monthly salary x 12. For other members of group management, bonuses may be paid with a maximum of 60 % of 12 times the current monthly salary.

When the measurement period for fulfilment of the criteria for payment of variable cash compensation has ended, it must be determined to what extent the criteria have been met. The remuneration committee is responsible for the assessment with regard to variable cash remuneration to the CEO. Regarding variable cash remuneration to other members of group management, the CEO is responsible for the assessment. Regarding financial targets, the assessment shall be based on the most recently published financial report by the company. Variable remuneration is settled in October of the year following the earnings.

Senior management who receive bonuses shall commit themselves to acquiring and, for a period of at least three years, investing at least 1/3 of the post-tax bonuses in shares in the company. The purpose is to create participation and dedication by offering the senior management structured way to become shareholders in this way. Through the criteria that determine the outcome according to the above create incentives for senior management to contribute to the realisation of the company's business strategy and utilise the company's long-term interests, including sustainability, and thus to long-term value creation.

If the senior manager violates the above conditions, for example by prematurely selling shares acquired in accordance with the above, the senior manager must, in accordance with the agreement with the company, repay the full amount (including income tax but excluding social security contributions) paid for the acquisition of shares in accordance with the above.

Pension benefits

Senior management have the right to pension payments according to collective agreements and other agreements with SkiStar AB. All pension commitments shall have defined contribution plans. Pension contributions for the CEO shall amount to an equivalent of not more than 30% of the pension-based salary. Pensions to other members of group management shall be paid in accordance with the standard ITP plan. Salary waivers can be used for increased pension provisions through one-time paid pension premiums in the form of salary and bonus exchanges. Retirement takes place for members of senior management who are Swedish citizens at the age of 65 and for any others in accordance with the respective country's pension rules.

Car benefits

Senior management may be entitled to a car benefit.

Other benefits

Senior management may be entitled to additional health care insurance, as well as to the benefits applying to other employees within SkiStar AB. The total value of the benefits may amount to a maximum of five percent of the fixed cash salary for senior management. In addition, the CEO may be entitled to private travel between home and work (including air travel), declaration assistance and supplementary health insurance in addition to the collectively agreed health insurance.

Other

As regards any employment conditions that are subject to regulation other than Swedish, with regard to pension benefits and other benefits, appropriate adjustments may be made to comply with mandatory such rules or established local practice, whereby the overall purpose of these guidelines shall be met as far as possible.

Notice period and severance pay

When the company initiates termination of employment, the period of notice shall be a maximum of 24 months and when initiated by a member of senior management, a maximum of six months. Severance pay shall only be paid when notice is given by the company. Severance pay shall only be paid during the period up to the date on which the individual in question obtains other employment. Severance pay is calculated on the fixed cash salary and is not pensionable.

The decision-making process for establishing, reviewing and implementing the guidelines

The board's remuneration committee is responsible for annually reviewing the need for revision of the guidelines prior to the board's proposal to the AGM (if applicable) for approval. The board shall draft new guidelines at least every fourth year and present such draft to the AGM for decision. The guidelines shall be valid until changed by the AGM's decision on new guidelines. The remuneration committee shall also monitor and evaluate programs for variable remuneration for senior management, the application of guidelines for remuneration to senior management and applicable remuneration structures and remuneration levels in the company. The board decides on the salary and other terms of employment for the CEO on the basis of a proposal from the remuneration committee. The CEO decides on the salary and other terms of employment for other members of group management and consults with the remuneration committee on the matter. The CEO and other members of group management are not present at the board and the remuneration

committee's consideration of and decisions on remuneration-related matters, insofar as they are affected by the issues.

Derogation from the guidelines

The board may, following a proposal from the remuneration committee, decide to derogate temporarily from the guidelines, wholly or in part, where there are particular reasons for doing so in an individual case and provided such derogation is necessary to satisfy the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above it is included in the remuneration committee's task to prepare the board of directors' decisions, including to deviate from the guidelines. Such deviations must be reported and justified in the subsequent compensation report.

Salary and terms of employment for other employees

In preparing the board's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been taken into account, through the fact that information on the employees' total remuneration, remuneration components and the increase and rate of remuneration over time have formed part of the board's decision. In the remuneration report that will be produced regarding paid and outstanding remuneration covered by the guidelines, the development of the distance between the company management's remuneration and the remuneration of other employees will be reported.

Changes to previous guidelines

The board's proposal for guidelines for remuneration to senior management prior to the 2020 AGM is mainly in accordance with the guidelines decided at the 2019 AGM, but the proposed new guidelines are more detailed than before due to changes in rules in the Swedish Companies Act and the Swedish Code of Corporate Governance.

More information

At the time of submitting this proposal for guidelines for compensation to senior management, SkiStar has no remuneration commitments that have not fallen due for payment in addition to ongoing commitments to senior management in accordance with the remuneration principles decided at the 2019 AGM. For more information on remuneration in SkiStar, see the annual report which is available at www.skistar.com/sv/corporate no later than three weeks before the AGM.

Sälen in November 2020
the Board of Directors of SkiStar AB (publ)