

THE BOARD'S REPORT REGARDING THE RESULT OF THE EVALUATION OF COMPENSATION TO COMPANY MANAGEMENT IN ACCORDANCE WITH SECTION 10.3 OF THE SWEDISH CORPORATE GOVERNANCE CODE

The board of directors of SkiStar AB (publ) has formed a remuneration committee. At a board meeting held on 14 December 2019, Eivor Andersson was elected chairman of the committee and Lars-Göran Dahl and Sara Karlsson were elected members of the committee. During the financial year, Lars-Göran Dahl has resigned from his position as member and chairman of the committee. No new member has been elected. The remuneration committee has reviewed the remuneration paid by the company, as well as the remuneration guidelines, and has carried out the evaluation described below. The result of the evaluation has been reported to, and approved by, the board of directors.

Objectives for the Company's Remuneration

The company's fundamental principles for the remuneration structure for 2019/20 were to:

- ensure that there is a consensus between the employees and the shareholders in terms of the long-term perspective on the operations,
- ensure that the employees receive market-based, competitive remuneration, enabling the company to recruit and keep employees, and to
- offer a salary based on the employees' performance, work assignments, competence, experience and position.

Variable Remuneration to Company Management

Information regarding variable remuneration to company management can be found in the company's annual report. The annual variable remuneration is intended to encourage and reward performances that have positive impact on the company's financial results. One third of potential variable remuneration shall be invested in shares in the company in order to strengthen the consensus between the company management and the shareholders in terms of the long-term perspective on the operations. The board is of the opinion that the program for variable remuneration to company management works as intended. As appears from the annual report, the company reports salaries and other remuneration for the CEO separately in accordance with Chapter 5, Point 20 of the Annual Accounts Act (1995:1554).

Guidelines for Remuneration to Senior Management

The applicable guidelines for remuneration to senior management can be found in the company's annual report. The guidelines intend to provide the board with the possibility to designate the remuneration to the company management in accordance with the company's stated objectives for remuneration. The board is of the opinion that the guidelines are well-formulated. The company has complied with the guidelines adopted by the annual general meeting 2019. It is hereby noted, that in connection with the decision to appoint Stefan Sjöstrand as CEO, the board has found that there was reason for deviation from the guidelines. In order to satisfy the company's long-term interests in being able to recruit a competent and experienced CEO, the following extra benefits have been granted in the employment agreement with Stefan Sjöstrand, i.e. in addition to the benefits mentioned in the guidelines; (i) SkiStar shall pay for Stefan Sjöstrand's private flights between his home in Copenhagen and the workplace in Stockholm, (ii) SkiStar shall ensure that Stefan Sjöstrand receives such declaration assistance as he wishes, at SkiStar's expense, and (iii) SkiStar shall ensure that Stefan Sjöstrand receives a supplementary health insurance in addition to the collectively agreed health insurance. The board's assessment is that the benefits were market-necessary to be able to complete the recruitment. These extra benefits in comparison with the total remuneration for the CEO amount to a non-significant amount. It is also noted that the 2019 Annual General Meeting decided on extra remuneration to the

resigning CEO in accordance with the board's proposal, meaning that Mats Årjes received an extra remuneration of a total of SEK 325,000/month for twelve (12) months from December 2019. The remuneration is basis for pensionable income but not for vacation rights. SkiStar shall pay social security contributions on the compensation and make customary tax deductions in accordance with applicable regulations. If Mats Årjes, during the twelvemonth period for which compensation is proposed to be paid, has income from other employment, such income (including social security contributions) shall be deducted from the extra remuneration to be paid by SkiStar.

Share-related and Share Price-related Incentive Program

There are no share-related and share price-related incentive programs today, other than the senior managements' investment of one third of potential variable remuneration in shares in the company as described above.

The board has during the year, through the remuneration committee, evaluated the possible introduction of share-related incentive program for employees, partly as a result of shareholders' questions at the annual general meeting 2019. The remuneration committee's evaluation was followed by the board's decision not to present such proposal to the annual general meeting currently due to the fact that time and administration costs for the company are not currently considered to outweigh the incentive a program could entail.

Remuneration Structures and Remuneration Levels

The board of directors' assessment is that the remuneration structures and remuneration levels in the company are well-suited to fulfill the company's objectives for remuneration as stated above.

Sälen in November 2020

The Board of Directors of SkiStar AB (publ)