

REMUNERATION REPORT 2020/21

Introduction

This report describes how the guidelines for remuneration of company management of SkiStar AB (publ), adopted by the 2020 AGM, (“**remuneration guidelines**”) were implemented in the 2020/21 financial year. The report also provides information on remuneration to the CEO. No remuneration to board members in addition to board fees has been paid. No outstanding share and share price-related incentive plans have existed or ended during 2020/21.

The company's development during the financial year 2020/21

The CEO summarizes the company’s overall performance in his statement on page 6-7 in the annual report 2020/21.

Overview of the application of the remuneration guidelines during the financial year 2020/21

A successful implementation of the company’s business strategy and safeguarding of its long-term interests, including its sustainability, assumes that the company can recruit and retain qualified personnel. The company must therefore ensure that employees receive a market-based and competitive remuneration so that it enables employees to be retained and recruited.

According to the remuneration guidelines, remuneration to company management shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration including commitment to acquire shares, pension benefits and other customary benefits. The variable cash remuneration shall be linked to measurable criteria established by the board regarding the company's performance regarding growth in earnings per share, return on equity, operating margin and organic growth measured for each financial year.

The company’s remuneration guidelines, which were adopted at the 2020 AGM, is stated on pages 78-80 in the annual report 2020/21 and is also available on the company’s website, www.skistar.com/en/corporate/. During the financial year 2020/21, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made, with the exception from what is stated below under the heading revision of the CEO's salary and terms. The auditor’s report regarding the company’s compliance with the guidelines is available on www.skistar.com/en/corporate/. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2020/21 (SEK THOUSANDS)

The table below describes total expensed remuneration regarding the company's CEO during the financial year 2020/21 (SEK THOUSANDS).

Name, position (during the start/end of the period)	Financial year	1 Fixed remuneration		2	3	4	5	6
		Base salary	Other benefits ¹	Variable remuneration - One-year	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration ²
Stefan Sjöstrand, CEO	2020/21	4,836	182	0	0	1,710	6,728	100% fixed remuneration

¹ Refers mainly to car remuneration, air travel and health insurance.

² Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in SkiStar's long-term interest. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020/21 have been taken into account.

Table 2 – Total variable cash remuneration to the CEO during 2021/21 (SEK THOUSANDS) based on application of performance criteria

Name, position	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3	
			a) Measured performance, and b) actual remuneration outcome which will be paid in 2021	
Stefan Sjöstrand, CEO	Growth in earnings per share 2020/21	25 %	a)	No
			b)	0
	Return on equity 2020/21	25 %	a)	No
			b)	0
	Operating margin 2020/21	25 %	a)	No
			b)	0
	Organic growth 2020/21 compared with 2019/20	25 %	a)	No
			b)	0

Comparative information on the change of remuneration and company performance

Table 3 – Change of remuneration and company performance over the last five reported financial years (SEK THOUSANDS)

	2016/17 vs 2015/16	2017/18 vs 2016/17	2018/19 vs 2017/18	2019/20 vs 2018/19	2020/21 vs 2019/20	Information about 2020/21 (expensed remuneration)
Annual change in remuneration to the CEO						
CEO Stefan Sjöstrand (as from March 2020) and former CEO Anders Örnulf (December 2019 – March 2020)	1,342 (28%)	131 (2%)	933 (13%)	120 (2%)	-542 (-7%)	6,728
Mats Årjes (until November 2019)						
Annual change in the Group's operating profit						
The Group's operating profit	75 MSEK (17%)	97 MSEK (19%)	-7 MSEK (-1%)	-210 MSEK (-35%)	-98 MSEK (-25%)	296,754
Annual change in average remuneration to employees based on full-year equivalents (excluding members of Group Management)						
Average remuneration to employees in the Group ³	10 (2,7 %)	10 (2,7 %)	19 (5 %)	10 (2,6 %)	-5 (-1,2 %)	401

³ Including pension costs but excluding other social costs. The information refers to all Group companies in Sweden and abroad.

Revision of the CEO's salary and terms

During March 2021, an extended revision of the CEO's salary and terms was decided. The remuneration committee has presented its preparation to the board and informed the board of the results of the evaluation of the CEO's performance and of the dialogue with Stefan Sjöstrand on the issue. The board decided in accordance with the remuneration committee's recommendation that:

- the CEO's fixed monthly salary shall be changed from 1 March 2021 from SEK 350,000 to SEK 450,000,
- the conditions for possible bonus payment for the CEO from and including the financial year 2020/21 shall be changed in accordance with what is stated in the item below. The underline marks the change (otherwise the terms still apply in accordance with what is stated in the remuneration guidelines).
 - Bonus for the CEO may be paid with a maximum of 60 % of 3xthe monthly salary x 12.

The board noted in the decision that the decided increase in the fixed monthly salary was exceptional and of a non-recurring nature due to the simultaneous change of the bonus condition, and that the CEO's next salary revision will follow the company's regular salary revision process in accordance with the remuneration guidelines.

Additional information on remuneration

Further information on remuneration to senior executives is available in Note 8 Information on personnel and remuneration to the board and CEO on pages 78-80 in the 2020/21 annual report. Information on board fees can be found in the corporate governance report on pages 119-123 in the annual report 2020/21. The corporate governance report also contains information on the remuneration committee's work during the financial year.

Sälen in November 2021

The Board of Directors of SkiStar AB (publ)