

## **PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES**

The Board of SkiStar AB (publ) recommends that the Annual General Meeting adopt the following guidelines for remuneration of senior executives. The guidelines apply until new guidelines are adopted by the general meeting and are valid for a maximum of four years.

### **Scope**

The guidelines below include the Board of Directors (as applicable), the CEO and other members of Group management, hereinafter referred to as senior executives. The guidelines are applicable to remuneration under new agreements and amendments to remuneration already agreed after adoption of the new guidelines by the AGM. The guidelines do not apply to remuneration decided on by the general meeting.

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

SkiStar's vision is to create memorable mountain experiences. As a listed company, SkiStar aims to create value for the Company's shareholders and promote long-term sustainability in all operations. For further information about SkiStar's strategy, long-term interests, including financial and operational targets, and sustainability work, see [www.skistar.com/en/corporate](http://www.skistar.com/en/corporate) and the annual report, which will be available at the same web address no later than three weeks prior to the AGM. Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including sustainability, are contingent on the Company having qualified employees. SkiStar must therefore be able to offer competitive remuneration. The Company's remuneration structure in accordance with these guidelines must

- contribute to a consensus between senior executives and shareholders in terms of the long-term perspective of the operations, including promotion of the Company's business strategy, long-term interests and sustainability;
- ensure that senior executives receive remuneration that is on market conditions and competitive, enabling the Company to recruit, motivate and retain competent employees;
- require senior executives' compliance with the Company's code of conduct, policies and directives; and
- offer a salary based on the Company's financial targets and senior executives' individual responsibility, competence, performance, duties, experience and position.

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

### **Remuneration and forms of remuneration**

The total compensation for senior executives must be reviewed regularly, and at least annually, to ensure that it is market-based. To create well-balanced total compensation that strengthens both short and long-term performance management and target achievement, remuneration may include the following components: fixed cash salary, variable remuneration/bonuses including undertaking to acquire shares, pension benefits and other benefits.

#### *Fixed cash salary*

Senior executives are to be offered a fixed cash salary that is individualised and market-based in relation to responsibility, competence, performance and regional salary levels. The fixed salary is to be determined annually, to apply during the period September to August.

#### *Variable remuneration/bonus including undertaking to acquire shares*

Senior executives may receive variable cash remuneration/bonuses, based on the current bonus programme for SkiStar's senior executives as decided by the Board for each financial year. Bonuses must be related to measurable criteria defined by the Board, which may be financial or non-financial, qualitative or quantitative, and must be based on factors that support SkiStar's business strategy and long-term interests, including its sustainability, by having a clear link to value creation, committed long-term ownership and SkiStar's development. The criteria may, for example, relate to the Company's performance on earnings per share, return on equity, operating margin and organic growth, measured for each financial year. If the Board considers that the business strategy and the Company's long-term interests, including sustainability, would be better promoted if the criteria were supplemented or changed, these guidelines allow such changes to be made.

The bonus to the CEO may amount to a maximum of 80 percent of 12 times the current monthly salary, which consequently is the bonus cap for the CEO. Bonuses to other senior executives may amount to a maximum of 60 percent of 12 times the current monthly salary, which consequently is the bonus cap for these executives.

The level of fulfilment of the criteria for awarding variable cash remuneration is to be determined at the end of the measurement period. The Remuneration Committee is responsible for the CEO's variable cash remuneration assessment. Where the assessment of target achievement is concerned, the CEO is responsible for the assessment in relation to other senior executives' variable cash remuneration. Financial targets shall be based on the most recent financial report published by the Company.

Should it be established that the criteria for payment of variable cash remuneration have not been met in whole or in part, the Board of Directors has the possibility to decide that variable remuneration is nevertheless to be paid to senior executives on an individual basis in extraordinary circumstances, up to an amount not exceeding half of the bonus cap, i.e. a maximum of 40 percent of 12 times the current monthly salary for the CEO, and a maximum of 30 percent of 12 times the current monthly salary for other senior executives. Such extraordinary arrangements are only to be applied either for the purpose of recruitment or retention, or as remuneration for extraordinary work in addition to the person's regular duties. Decisions on such remuneration are to be taken by the Board of Directors, for both the CEO and other senior executives, on the proposal of the Remuneration Committee. Variable remuneration is paid in October of the year after it was earned.

Under an agreement with the Company, senior executives who receive bonuses must undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their post-tax bonuses. The purchase price paid for any SkiStar shares acquired by a senior executive during a given vesting year may be included in the amount that the executive has committed to invest in SkiStar shares if a bonus is received for that vesting year. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a structured way. Through the criteria that determine the outcome as described above, incentives are created for senior executives to contribute to realisation of the Company's business strategy and safeguarding of the Company's long-term interests, including sustainability, and therefore long-term value creation.

If a senior executive contravenes the above conditions by, for example, prematurely selling shares acquired under said conditions, the senior executive must, in accordance with the agreement with the Company, be required to repay the full amount (including income tax but not social security contributions) paid for the shares acquired.

#### *Pension benefits*

Senior executives are entitled to pension arrangements under collective agreements and agreements with SkiStar AB. All pension obligations are defined-contribution plans. For the CEO, the Company pays pension contributions corresponding to 30 percent of the pensionable salary. For other senior

executives, pension payments are made according to the standard ITP plan. Salary waivers may be used for increased pension provisions through one-time pension premium payments under salary and bonus sacrifice arrangements. The retirement age for senior executives who are Swedish citizens is 65. For others, it is as specified in their own country's pension rules.

#### *Car benefits*

Senior executives may be offered car benefits.

#### *Other benefits*

Senior executives may be entitled to other benefits such as health insurance as well as the benefits available to other SkiStar employees. The total value of these benefits may not exceed five percent of a senior executive's fixed cash salary. In addition, the CEO may be entitled to private travel between home and work (including air travel), an official residence in Stockholm including cleaning allowance for the residence, tax return assistance and supplementary health insurance in addition to collectively agreed health insurance. The total value of these benefits may not exceed ten percent of the CEO's fixed cash salary.

#### *Other*

Employment conditions for senior executives who are subject to rules other than Swedish rules on pension and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account the overall purpose of these guidelines as far as possible.

### **Period of notice and termination benefits**

The maximum period of notice is initially 12 months for termination of employment initiated by SkiStar and six months for termination by the senior executive. Termination benefits shall only be paid when termination of employment is initiated by the Company. Termination benefits shall only be paid up to the date on which the individual in question obtains other employment. Termination benefits are calculated on the fixed cash salary and are not pensionable. Total fixed salary during the period of notice and any termination benefits must not exceed an amount corresponding to the fixed salary for 24 months.

### **Decision-making process to determine, review and implement the guidelines**

The Board's Remuneration Committee is responsible for annually reviewing the need to revise the guidelines prior to the Board's proposal to the AGM (if applicable) for adoption. The Board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM for resolution. The guidelines shall be valid until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals from the Remuneration Committee. The CEO makes decisions on the salary and other terms of employment for other senior executives and consults with the Remuneration Committee on these matters. Decisions on possible variable remuneration in extraordinary circumstances are, however, made by the Board for the CEO as well as for other senior executives on the basis of proposals from the Remuneration Committee. The CEO and other senior executives are not present when the Board and the Remuneration Committee consider and make decisions on remuneration-related matters in so far as they are affected by these matters.

### **Derogation from the guidelines**

The Board may, following a proposal from the Remuneration Committee, decide to make a temporary derogation from the guidelines, in whole or in part, if there are particular reasons to do so in an individual case and such derogation is necessary in order to serve the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As stated above, the

Remuneration Committee's tasks include preparation of the Board's decisions in remuneration-related matters. This includes decisions to derogate from the guidelines. Such derogations are to be reported and explained in the subsequent remuneration report.

### **Salary and terms of employment for other employees**

In preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the Company's employees have been taken into account by including information about the employees' total remuneration, the components of the remuneration and the remuneration increase and rate of increase over time in the Board's decision support material for evaluating the reasonableness of the guidelines and limitations set out herein. The remuneration report on paid and outstanding remuneration covered by the guidelines will include a report on the trend regarding the gap between Company management's remuneration and other employees' remuneration.

### **Changes from previous guidelines**

The Board's proposal for guidelines for remuneration of senior executives prior to the 2022 AGM is largely consistent with the guidelines adopted at the 2021 AGM. In the review prior to the 2022 AGM, changes have been made regarding the extended benefit for the CEO, as regards the official residence in Stockholm including cleaning allowance for the residence, clarification of the extended possibility for the Board to decide upon variable remuneration in extraordinary circumstances, and an increased bonus cap for variable remuneration to the CEO, from 60 percent of 12 times the current monthly salary to 80 percent of 12 times the current monthly salary. Furthermore, the possibility has been introduced for senior executives, if a bonus is received, to include the purchase price of SkiStar shares acquired during the vesting year of the current bonus payment in the amount that the executive has committed to invest in SkiStar shares.

### **More information**

On the date of submission of these proposed remuneration guidelines for senior executives, SkiStar did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2021 AGM. For more information on remuneration at SkiStar, see the remuneration report and the annual report, which are available at [www.skistar.com/sv/corporate](http://www.skistar.com/sv/corporate) no later than three weeks prior to the Annual General Meeting.

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Sälen, November 2022  
*Board of Directors of SkiStar AB (publ)*