

The complete proposed guidelines for senior executive remuneration of the Board of Directors of Hoist Finance AB (publ), reg. no. 556012-8489

The term “senior executives” shall in this context mean the CEO of Hoist Finance AB (publ) (“**Hoist Finance**”) and the executives who are members of the executive management team, and Directors, to the extent they receive remuneration for services performed outside of their Board duties.

Remuneration for senior executives is comprised of fixed base salary, variable remuneration, pension and other benefits. Remuneration is designed to encourage the senior executive to deliver results in line with the company’s targets, strategy and vision and to act in accordance with the company’s ethical code of conduct and basic principles. It is also designed to enable Hoist Finance to attract, retain and motivate employees who have the requisite skills. Remuneration is structure to encourage good performance, prudent behaviour and risk-taking aligned with customer and shareholder expectations. Salaries are age- and gender-neutral and anti-discriminatory. Hoist Finance views remuneration from a comprehensive perspective and, accordingly, takes all remuneration components into account. Remuneration is weighted in favour of fixed salary, which is based on the position’s complexity and level of responsibility, prevailing market conditions and individual performance.

Variable remuneration for senior executives shall be paid within the scope of a long-term share-based incentive programme, a so-called LTIP, and shall not exceed 100 per cent of the fixed salary. Variable remuneration is based on various financial and non-financial criteria, and is linked to the performance of the Hoist Finance group of companies (the “**Group**”) respectively the relevant business unit and to individual targets.

Variable remuneration takes into account the risks involved in the company’s operations and is proportional to the Group’s earning capacity, capital requirements, profit/loss and financial position. The payment of variable remuneration must not undermine the Group’s long-term interests and is contingent upon the recipient’s compliance with internal rules and procedures, including the policy regulating conduct with respect to customers and investors. Variable remuneration is not paid to a senior executive who has participated in or been responsible for any action resulting in significant financial loss for the Group or the relevant business unit.

For senior executives, payment of 60 per cent of the variable remuneration is deferred for a period of at least three years. Variable remuneration, including deferred remuneration, is only paid to the extent warranted by the Group’s financial situation and the performance of the Group and the relevant business unit, and the senior executive’s achievements.

Pension and insurance are offered pursuant to national laws, regulations and market practices and are structured as collective agreements, company-specific plans or a combination of the two. Hoist Finance has defined-contribution pension plans and does not apply discretionary pension benefits. A few senior executives receive gross salary; in these instances, the company does not make pension contributions. Other benefits are designed to be competitive in relation to similar operations in the respective country.

Remuneration for new hires (“**Sign-on bonuses**”) are only offered in exceptional cases and then only to compensate for the lack of variable remuneration in the senior executive’s previous employment contract.



Sign-on bonuses are paid during the year in which the senior executive begins to work. Decisions on exceptional cases are made in accordance with the decision-making process for variable remuneration.

Issuing loans to senior executives is not permitted.

Upon the Group's termination of an employment contract, the maximum notice period is twelve months and no redundancy payment is made.

Directors, elected at General Meetings, in certain cases may receive a fee for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board of Directors. Remuneration may be payable up to SEK 50,000 for a Director's work in the board of a subsidiary.

The Board of Directors shall have the right to deviate from the guidelines decided at the Annual General Meeting if there are specific reasons in a particular case.

Stockholm, April 2019
Hoist Finance AB (publ)
The Board of Directors

