

# **Hemnet Group AB (publ) – Proposal by the board of directors for a resolution on adoption of updated guidelines for remuneration to senior executives – item 19**

## **Introduction**

These guidelines encompass the terms of employment for the CEO and other senior executives in Hemnet Group AB (publ) and its subsidiaries (below “**Hemnet**” or the “**Company**”), i.e. managers reporting directly to the CEO. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration decided or approved by the general meeting.

These guidelines also encompass members of the Board of Directors in Hemnet, to the extent to which they perform services outside of their directorship.

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

In short, the Company’s business strategy is the following.

Hemnet gathers everyone who is looking for, selling and brokering a home in one place. This is Hemnet’s core business. By collecting all housing ads in one digital marketplace, Hemnet makes it easier and more efficient for all parties involved. Hemnet’s goal is to continue to be the leading housing portal in Sweden and to broaden and develop its offering based on its current position.

For more information regarding the Company’s business strategy, please see [www.hemnetgroup.se/com](http://www.hemnetgroup.se/com).

The guidelines have been drawn up to successfully implement the Company’s business strategy and to safeguard of its long-term interests, including its sustainability, and to create clarity and transparency with regard to the remuneration that senior executives shall receive, and under which circumstances that remuneration can be paid to members of the Board of Directors outside of the ordinary directorship. Variable cash remuneration covered by these guidelines shall aim at promoting the Company’s business strategy and long-term interests, including its sustainability.

## **Remuneration Principles**

Hemnet shall strive to offer a compensation that attracts, motivates and retains senior executives in benchmark with its peers, which primarily are platform companies and digital service companies.

Remuneration to senior executives shall consist of:

- Fixed market salary
- Variable cash remuneration based on fulfillment of clear goals for the Company
- Possibility to participate in long-term share-based incentive programs
- Pension and other customary benefits

As regards variable remuneration, such compensation shall be tied to financial or non-financial concrete, measurable goals for the Company and/or the department that the manager is responsible for. Decisions regarding variable payment models and the outcome of such models shall be made by the Board of Directors. The variable cash remuneration may amount to not more than 50 percent of the fixed annual cash salary.

In addition to the aforementioned remuneration forms, remuneration may also in certain exceptional cases and in accordance with the principles set forth in the Company’s HR Policy, be paid in connection with new employment in order to attract certain key individuals to the Company for the purpose of supporting Hemnet’s business strategy. Such remuneration shall be limited to the first year of employment.

## **Pension and other customary benefits**

The retirement age is under normal circumstances 65 years. Pension plans for senior executives shall follow or match ITP in terms of compensation level.

Other customary benefits (such as company health care) shall be on market terms. Such benefits may amount to not more than 20 percent of the fixed annual cash salary.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

## **Remuneration Committee**

The Board of Directors of Hemnet Group AB (publ) shall appoint a Remuneration Committee to monitor and assess compliance with these guidelines. The Remuneration Committee shall also prepare and make recommendations for resolutions to be adopted by the Board of Directors pertaining to matters regarding remuneration principles, remuneration and other terms of employment for the CEO. The CEO and other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Remuneration Committee shall also prepare, propose, monitor and assess long term share-based incentive programs for variable compensation and long term incentive programs for the company management.

As regards matters concerning fixed remuneration to other senior executives, such matters shall as a starting point be made by the CEO in accordance with these guidelines. However, decisions regarding such remuneration to senior executives that have been made by the CEO shall be presented to the Remuneration Committee and the Board of Directors before it shall be deemed final, and before that point it shall not be communicated.

The duties of the Remuneration Committee are described in more detail in the Rules of Procedure for the Remuneration Committee, adopted by the Board of Directors.

## **Yearly review of these guidelines**

The guidelines for remuneration to senior executives shall be reviewed yearly and be presented to the annual general meeting at least every fourth year.

## **Termination Notice and Severance Pay**

The notice period for senior executives, and the period of time during which salary payment will continue, shall generally be six (6) months. However, in situations where Hemnet terminates the employment, severance pay may amount to a maximum of twelve (12) monthly salaries. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for twelve (12) months for senior executives.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than twelve (12) months following termination of employment.

## **Compensation to Board Members**

Members of the Board of Directors may, in certain cases where particularly motivated in light of the board member's competence and suitability, perform services outside of the ordinary directorship. Market compensation shall be paid for such services, which is to be decided by the Board of Directors. Remunerations of this kind are to be presented in the financial reports in accordance with applicable accounting legislation.

## **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of Hemnet Group AB (publ) and its subsidiaries have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## **Deviations**

Deviations from these guidelines in whole or in part may be made in exceptional cases if the Board of Directors find that there are special circumstances at hand and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. Information about such deviation and the reasons therefore shall be given at the following Annual General Meeting. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.