

# GUIDELINES FOR REMUNERATION TO SENIOR MANAGEMENT IN THE ITAB GROUP

## Guidelines for remuneration to senior management

These guidelines include the persons who are part of the executive management of ITAB Shop Concept AB (publ) (“ITAB”), currently the CEO and other members of the Group management.

To the extent a Board member performs work for ITAB in addition to the Board assignment, these guidelines shall also apply to any remuneration (e.g. consultant’s fees) for such work. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2021. These guidelines do not apply to any remuneration decided or approved by a General Meeting of Shareholders.

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

In short, ITAB’s business strategy is the following. ITAB shall offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets. For more information regarding the Company’s business strategy, please see [www.itabgroup.com/en/about-itab/strategic-priorities/](http://www.itabgroup.com/en/about-itab/strategic-priorities/)

A prerequisite for the successful implementation of the Company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain management with good competence and capacity to achieve set goals. To this end, it is necessary that the Company offers competitive remuneration, which these guidelines enable. Variable cash remuneration covered by these guidelines shall aim at promoting the Company’s business strategy and long-term interests, including its sustainability.

## Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The remuneration level for individual executives shall be based on factors such as position, competence, experience, and performance. Additionally, a General Meeting of Shareholders may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration for the CEO may amount to not more than 75 percent of the fixed annual cash salary. The variable remuneration for other members of the Group management may amount to not more than 50 percent of the fixed annual cash salary.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

For other executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory local legislation or collective agreement provisions. Variable cash

remuneration shall qualify for pension benefits to the extent required by mandatory local legislation or collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Premiums and other costs due to such benefits may amount to not more than 12 percent of the fixed cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

## **Termination of employment**

The notice period may not exceed twelve months if notice of termination of employment is made by the Company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for two years, and one year for other persons in the executive management. The period of notice may not to exceed six months without any right to severance pay when termination is made by the executive.

## **Criteria for awarding variable cash remuneration, etc.**

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the executive management. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

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

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company 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.

## **Consultant's fees to Board members**

If a Board member performs services for ITAB in addition to the board work, a special fee may be paid for this (consultant's fee), provided that such services contribute to the implementation of ITAB's business strategy and safeguard ITAB's long-term interests, including sustainability. This also applies to such services that ITAB receives through a company fully owned by a Board member. The annual consultant's fee for each Board member may never exceed the annual board fee. The consultant's fee shall be on market terms and determined in relation to the benefit of ITAB.

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

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new

guidelines at least every fourth year, or before if there is a need for significant adjustments, and submit it to the Annual General Meeting.

The guidelines shall be in force until new guidelines are adopted by a General Meeting of Shareholders. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The CEO and other members of the executive management 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.

### **Derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. 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 derogate from the guidelines.

### **Description of material changes to the guidelines in 2021**

The Remuneration Committee and the Board of Directors have determined that it is appropriate for the Company that the CEO's variable cash remuneration shall amount to not more than 75 percent of the fixed annual cash salary, instead of the previous amount of not more than 50 percent of the fixed annual cash salary, and that members of the executive management do not have to be permanent employees. The above remuneration guidelines have been changed to reflect the mentioned. Furthermore, the description of the convertible program which ended during the summer of 2020 has been removed from the guidelines.

These guidelines were adopted by the Annual General Meeting in ITAB Shop Concept AB (publ) on 11 May 2021.