

## REMUNERATION POLICY

### 1. INTRODUCTION

#### 1.1 Scope

This Remuneration Policy (the “**Policy**”) provides the framework for the remuneration of the members of the Board of Directors, the CEO, and the other members of the Group Management Team of Adapteo Plc (“**Adapteo**” or the “**Company**”).

#### 1.2 Policy objectives

Adapteo’s strategy is based on three strategic avenues: break-out growth, commercial excellence and operational efficiency. Break-out growth addresses a large opportunity to strengthen and grow Adapteo’s market position within Central Europe, expansion in the sales and long-term leasing market outside Sweden and expansion of the customer segment as well as offering. Commercial excellence addresses the mission to harmonise the modular space solutions fleet, and aims to offer the optimal solution to the customer, align its sales process, develop a unified marketing and brand strategy as well as capture the opportunities in digital tools. Lastly, Adapteo aims to improve the efficiency and quality of its operations in order to support its growth, profitability and returns. Adapteo has developed a strategy to execute future operational excellence initiatives and expects that these future initiatives will yield additional meaningful cost savings.

A successful implementation of Adapteo’s corporate strategy and the furtherance of the Company’s long-term interests, including its sustainability, requires that the company can recruit and retain qualified executives. These guidelines allows Adapteo to offer members of the Group Management Team competitive total remuneration.

Read more about Adapteo’s strategy on the [corporate website](#).

Adapteo’s Remuneration Committee considers the perspective and input from multiple internal and external stakeholders and take into account general employee pay developments and conditions.

### 2. DECISION-MAKING PROCESS OF THE REMUNERATION POLICY

This Policy has been prepared by the Board of Directors of Adapteo, and has been assessed by the Shareholders’ Nomination Committee. This Policy will be presented to Adapteo’s Annual General Meeting to be held on 23<sup>rd</sup> of April 2020, and shall be applied until the Annual General Meeting to be held in 2024, unless the Board of Directors determines that a revised policy should be presented to the general meeting at an earlier date.

The remuneration of the members of the Board of Directors is annually decided by the Annual General Meeting based on a proposal by the Shareholders’ Nomination Committee (the “**Nomination Committee**”).

The Board of Directors decides on the remuneration of the CEO and the other members of the Group Management Team based on a proposal by the Remuneration Committee within the

confines of this Policy. The CEO shall not participate in the preparation nor the decision making regarding his or her own remuneration.

The Chairman of the Board may also be the Chairman of the Remuneration Committee and the other General Meeting-elected members of the Remuneration Committee are to be independent of the Company and its executive management. The Remuneration Committee has the power in its sole discretion to retain compensation consultants to assist in evaluating executive compensation.

As part of the remuneration awarded within the confines of this Policy, share-based remuneration (such as shares, options, or special rights entitling to shares) may be awarded. The decision-making procedures for share-based remuneration are aligned with this Policy, and when decisions are made outside the General Meeting, they will be made pursuant to the valid authorisations granted by the General Meeting of the Company in accordance with the terms of the relevant authorisation and in accordance with the applicable laws and regulations.

### **3. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The remuneration of the members of the Company's Board of Directors is designed to attract and retain Board members with relevant skills, industry knowledge and experience to oversee the Company's strategy with emphasis on long-term shareholder value creation.

The Nomination Committee annually reviews the remuneration for the Chairman and members of the Board of Directors against companies of similar size and complexity. Based on this review, the Nomination Committee prepares its proposal to the Annual General Meeting and may propose a change in remuneration levels if deemed appropriate. The Annual General Meeting determines remuneration of the Board of Directors for the year within the confines of this Policy, and the remuneration for the year is disclosed in the annual remuneration report.

Board remuneration consist of fixed compensation and Board members are not in an employment relationship or service contract with the Company. Board members do not participate in Company's variable pay, pension or benefit plans. Fixed compensation is, for example, in the form of an annual fee subject to approval at the Annual General Meeting.

Board members who do not already have such a holding of Adapteo shares are under a four-year period from the start of their directorship expected to acquire Adapteo shares to a total market value which equals at least one year's Board fees before taxes, excluding any Committee compensation. The Nomination Committee will as part of its process annually follow up on the Board members' shareholding and evaluate if it is according to the policy.

Board members are (re-)appointed in accordance with legal and regulatory requirements.

### **4. REMUNERATION OF THE CEO AND GROUP MANAGEMENT TEAM**

#### **4.1. Remuneration elements**

The remuneration of the CEO and the other members of the Group Management Team may consist of fixed salary, short and long-term variable remuneration, pension and other benefits.

The fixed salary is set at a level which enables Adapteo to attract and retain high performing individuals. The fixed salary levels are reviewed for the CEO and the other members of Group Management Team annually, taking into account factors such as the performance of the Company and the individual, role scope, and employee salary increases.

Retirement arrangements correspond to a maximum of 30% of fixed annual salary for the CEO. Long and short-term incentives are not included in the pensionable salary. Retirement arrangement and pensionable salary as stated above shall hold for the members of the Group Management Team, except if the individual is covered by collective agreements which stipulate otherwise. Benefits can be but are not limited to e.g. life insurance, health insurance, housing benefit, car benefit and other customary benefits and the value of these shall not exceed 10% of total annual fixed compensation.

The Board of Directors may consider whether it would be appropriate to use other types of remuneration to meet the overall aims and objectives of the Company, including remuneration of a one-off or extraordinary nature, such as sign-on fees or stay-on bonuses. If the Board of Directors considers one of these remuneration components, these shall not exceed 50% of fixed annual salary and shall not be paid more than once per year and individual.

Short-term incentive programs are implemented in order to drive short-term strategy based on key metrics and consequently contribute to Adapteo's long-term strategy. Metrics are pre-determined and measurable and are formulated based on strategic objectives, are primarily financial, and shall be connected to the financial or profit performance of Adapteo or the group. The metrics are reviewed annually and the addition of qualitative metrics are considered in the reviewing process. Metrics for current plans are disclosed in the annual remuneration report. Short-term incentives correspond to a maximum of 70% of the CEO's fixed annual pay and 50% for the other members of the Group Management Team.

Long-term incentives are designed to reward for delivery of long-term strategic and financial performance, and to provide long-term alignment of management's interests with shareholders. Awards are, as a starting point, given in the form of Adapteo shares but may also be given in other forms. Performance metrics are pre-determined and measurable and shall include a component connected to the share-price development of Adapteo, such as development of Earnings per share (EPS). The performance period shall be 3 years minimum for periods resolved after the adoption of this Policy. Long-term incentives correspond to a maximum of 150% of fixed annual remuneration for the CEO, and 100% for the other members of the Group Management Team. The essential terms and conditions of each launched long-term incentive plan are disclosed in the Company's annual remuneration report.

The Remuneration Committee conducts the evaluation of performance in relation to performance metrics in the short-term and long-term incentive programs, and the evaluation shall be based on the latest available reports published by Adapteo.

## **4.2. Principles regarding share-based incentives and deferral periods and/or clawback of remuneration**

Share-based incentives shall be based on a 3 year performance/vesting period for periods resolved after the adoption of this Policy. The CEO and other members of the Group Management Team shall accumulate and retain ownership of Adapteo shares amounting to 100% of annual fixed remuneration for the remainder of their employment at Adapteo.

The Board of Directors has the discretionary right to reduce or cancel or change conditions for any payments related to incentive programs in the event of extraordinary circumstances. Furthermore, all variable pay components paid out to the CEO and the other members of the Group Management Team are subject to clawback, meaning the recovery of amounts due to restatement of the Company's financial records or due to fraud or other malfeasance in connection with the eligibility or for calculation for amounts paid. Adapteo shall not apply this policy clause retroactively to the individual executive except to the extent it deems warranted, in good faith, due to the executive's own fraud or malfeasance.

### **4.3. Service contracts and termination provisions**

The terms and conditions of the service or employment of the CEO and the members of the Group Management Team are agreed upon and set forth in written service or employment agreements with the CEO and the Group Management Team in force from time to time. The duration of the service or employment contracts of the CEO and the other members of the Group Management Team are, as a main rule, valid until further notice.

When determining leaving arrangements local legislation, contractual obligations, standard market practice as well as the performance and conduct of the individual are taken into account. The reciprocal notice period for the CEO is maximum 6 months. In the event of termination by the Company, the CEO is entitled to additional severance pay of maximum 12 months fixed remuneration, subject to deduction by salary paid by new employer as well as consulting fees. The reciprocal notice period for the other Group Management Team members is maximum 6 months. In the event of termination by the Company, the Group Management Team members are entitled to additional severance pay of maximum 6 months fixed salary, subject to deduction by salary paid by new employer as well as consulting fees.

### **4.4. Deviation from the Policy**

The Board of Directors may temporarily deviate from any sections of the Policy based on its full discretion in the circumstances described below:

- Upon change of the CEO and other members of the Group Management Team,
- Upon material changes in Company structure, organization, ownership and business (for example merger, takeover, demerger, acquisition, etc).
- Upon material changes in or amendments to the relevant laws, rules, or regulations (including tax laws).
- Upon material changes in the Company's external environment.
- In any other scenario where a temporary deviation is considered necessary in order to ensure the long-term interests and viability of the Company.

### **4.5. Description of changes to the Remuneration policy**

*Applicable after the publication of the first remuneration report.*

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