

Remuneration guidelines

These guidelines encompass salaries and other remuneration to members of the Board, the CEO and the Deputy CEO, as well as to other members of the management team of Catena AB (hereinafter referred to as “Individuals holding senior management roles”).

The guidelines in their current form were prepared for the 2020 Annual General Meeting, primarily with the aim of adapting them to the new statutory requirements that had been introduced in the Swedish Companies Act. The guidelines are reviewed annually and updated when necessary. The review completed for the 2024 Annual General Meeting has not resulted in any significant changes. The views of the shareholders have been taken into account on an ongoing basis during the work.

These remuneration guidelines shall be applied to all employment agreements entered into, or changes to existing agreements, with individuals holding senior management roles following the adoption of the guidelines by the Annual General Meeting.

In preparing the Board of Directors’ proposal for these remuneration guidelines, salaries and terms and conditions of employment for the Company’s employees have been taken into account in that information on employees’ total remuneration, the components of their remuneration, and the rate of increase and the increase over time have formed part of the data on which the remuneration committee and the Board of Directors based their assessments and decisions regarding the reasonableness of the guidelines and the limitations that they cause.

1. Benefit of the guidelines for the Company’s business strategy, long-term interests and sustainability:

The Company must be able to recruit and retain qualified employees, so that the Company can successfully implement its business strategy and to safeguard the Company’s long-term interests, including its sustainability goals. This requires that Catena be able to offer competitive remuneration, which these guidelines make possible. Remuneration to employees is to be market-based and competitive and must reflect responsibilities and duties.

2. Fixed Salary:

Individuals holding senior management roles shall be offered a competitive fixed salary in-line with the market and based on the individual’s skills, expertise, experience, responsibilities, performance and the Company’s financial results. Salary is to be set for each financial year.

3. Bonuses etc:

Individuals holding senior management roles may, from time to time, be offered bonuses. Such bonuses may not exceed 50 percent of the annual fixed salary for the CEO and 25 percent for other individuals holding senior management roles and shall be established for the respective financial year. Bonuses are to primarily be based on the operational targets set for each senior manager's area of operations and based on the profits from property management and the development of the project portfolio in accordance with the adopted financial statements for the year concerned.

The remuneration committee has proposed, within the above-mentioned framework, that the responsibility be delegated to the committee to propose and evaluate bonus targets in greater detail for each person holding a senior management role.

In preparation for the 2024 Annual General Meeting, the remuneration committee has recommended that no share-related incentive programme be adopted.

Individuals holding senior management roles are entitled to additional health and medical insurance along with all other monetary and non-monetary benefits provided to other employees of the Group.

The Company's commitments, excluding social insurance contributions, to individuals holding senior management roles who may be subject to bonus targets are not calculated to exceed SEK 3,000,000 for 2024.

4. Pensions:

The retirement age for the CEO and other individuals holding senior management roles follows the general retirement age structure. For the CEO, pension payments are made corresponding to at most 35 percent of pensionable salary. For other individuals holding senior management roles, pension payments are made in accordance with the ITP plan and through insurance plans, which are calculated based on the benefits applicable under the ITP plan (ITP1 and ITP 2). The ITP plan entails premiums being determined based on the levels applicable under the relevant collective agreement. Bonuses are regarded as pensionable earnings. The pension share of total remuneration is in accordance with the ITP plan, with the corresponding maximum limits.

5. Termination and severance pay:

For individuals holding a senior management role, a period of notice of three to six months applies. If termination of employment is based on the initiative of the employer, a period of notice of between six and twelve months applies. No severance pay will be made, except for ordinary salary payments during the period of 3 notice. Other principal terms and conditions for severance pay are stated in the annual report and it is proposed that these continue to be applied in 2024.

6. Preparations and decision-making by the Board of Directors:

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Director's decision on proposed guidelines for remuneration to individuals holding senior management roles. The Board of Directors shall draw up proposals for new guidelines at least every four years and submit the proposals for approval by the Annual General Meeting. The guidelines will remain in effect until new guidelines have been adopted by the Annual General Meeting. The remuneration committee shall also monitor and assess programmes of variable remuneration for the senior management of the Company, the application of the guidelines for remuneration to individuals holding senior management roles, and applicable remuneration structures and levels of remuneration within the Company. The members of the remuneration committee are independent vis-à-vis the Company and the senior management of the Company. When the Board of Directors addresses matters involving remuneration and makes decisions on these, the Chief Executive Officer or other members of the senior management of the Company are not to be in attendance, to the extent they potentially would be impacted by decisions on these matters.

The remuneration committee prepares and makes recommendations for the Board of Director's decision regarding:

- Remuneration to the individual holding the position of Chief Executive Officer and other terms and conditions of employment for them.
- Principles for the remuneration of individuals holding senior management roles who are members of the senior management of the Company and which is determined by the CEO.
- Any bonus programmes (meaning variable cash remuneration) for Company employees that must, in particular, specify limits for the maximum amount that such programmes are expected to cost the Company.

Board of Directors of Catena AB (publ), March 2024