

REMUNERATION GUIDELINES

Guidelines for remuneration to the CEO and senior executives

The board of directors proposes the following guidelines for remuneration to Scandic's CEO and the other members of the Executive Committee (the "Senior Executives"). Subject to the shareholders' approval, the effective date of these guidelines is 16 May 2024. The guidelines are forward-looking and applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2024. The intention of the board of directors is that these remuneration guidelines will remain in place for four years from the date of its approval.

The guidelines' connection to Scandic's business strategy, long-term interests and sustainability

Scandic's strategy is built on five strategic cornerstones; engaged and motivated team members, sustainable business, portfolio-, commercial- and operational excellence. These are the areas Scandic must always focus on, in order to realize the vision, mission and financial goals. A sustainable approach and engaged and motivated team members are the foundation of Scandic's strategy and should be evident in all important areas.

A successful implementation of the remuneration guidelines will ensure that Scandic can attract and retain the best people, enabling us to execute our business strategies and serve our long-term interests, including our sustainability goals. In addition, long-term share-based plans have been implemented in Scandic. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines.

Remuneration guidelines by element

Scandic shall offer a total remuneration in line with market conditions to enable Scandic to recruit and retain the managers Scandic needs to meet its short-term and long-term targets. The remuneration to the Senior Executives may consist of fixed salary, variable cash remuneration, pension and other benefits. Additionally, the general meeting may resolve on, among other things, long-term share incentive plans. The remuneration guidelines do not apply to share-based long-term incentive plans or ordinary board remuneration, which are subject to separate resolutions at the general meeting.

In the preparation of the board of directors' proposal for these remuneration guidelines, salary levels, variable pay structures and employment conditions for employees of the company have been taken into account.

Fixed salary shall be in line with market conditions and mirror the demands and responsibility that the position entails as well as individual performance. The fixed salary for the CEO and the other Senior Executives is revised once every year.

Variable cash remuneration shall be based on Scandic's fulfilment of objectives determined in advance. These objectives are determined for the promotion of Scandic's/the group's short-term and long-term targets, long-term development, value

creation and financial growth and shall be designed in a way that does not encourage an excessive risk-taking.

The variable cash remuneration is subject to an overall cap and may not amount to more than 100% of the fixed annual salary. In this context, fixed annual salary means cash salary earned during the year, excluding pension, supplements, benefits and similar. The 100% cap applies also to variable cash remuneration awarded in extraordinary circumstances, if any, such as extraordinary arrangements made on individual basis for recruiting or retaining purposes or in case of exceptional performance beyond the individual's ordinary tasks.

Payment is made after year-end following the compensation committee's determination of achievement against the annual corporate targets and the achievement of annual individual objectives for the CEO. The CEO will determine the achievement of annual individual objectives for other Senior Executives. As regards financial criteria, the evaluation shall be based on the latest financial information made public by Scandic. The compensation committee and the CEO will use the discretion afforded them by shareholders to ensure that rewards properly reflect the business performance of Scandic, and will take into account any relevant environmental, social, and governance (ESG) matters when determining outcomes.

Scandic shall have the right, under applicable law or contractual provisions, to reclaim in whole or in part annual variable cash remuneration paid on incorrect grounds (claw-back), subject to any restrictions that may apply under applicable law or contract.

Long-term share and share price related incentive plans are resolved upon by the general meeting – irrespective of these guidelines. The aim of having long-term share and share price related incentive plans is to create a long-term commitment to Scandic, to attract and retain Senior Executives and other key employees and to ensure the shareholder perspective. Long-term share and share price related incentive plans, if any, may constitute a complement to the fixed salary and the variable cash remuneration, with participants to be invited to participate based on, among other things, competence and performance. The outcome shall be dependent on the fulfilment of certain predetermined performance requirements that shall secure shareholder value, such as growth, profitability and capital efficiency.

Pension benefits for the Senior Executives will be based on the typical market practice in the Senior Executive's employment or residence, and shall preferably consist of premium based pension plans, but may also be defined benefits pursuant to collective agreements.

Other benefits that may be provided will be in accordance with market practice which may change from time to time. Other benefits may include for example company car, healthcare and life insurance, etc. In addition thereto, mobility related benefits for example relocation support, tax filing support, or similar may be offered for a limited period of time.

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.

Employment contract, termination of employment and severance pay

Executive contracts are typically with indefinite duration but may be offered on occasion for fixed term. Upon termination of employment, the notice period may not exceed 12 months.

Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for 18 months. The total severance payment shall for all Senior Executives be limited to the existing monthly salary for the remaining months up to the age of 65.

Upon termination of employment a non-compete clause may restrict the employee from engaging in a competing business. The non-compete clause restriction covers no more than nine (9) months following termination of employment. During the non-compete clause period Scandic may pay the former employee an amount corresponding to no more than 60% of nine (9) months' fixed pay.

Remuneration to board members

Board members, elected at general meetings, may in certain cases receive compensation for services performed within their respective areas of expertise, outside of their board duties. Compensation for such services shall be paid on market terms and be approved by the board of directors.

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

The board of directors has established a compensation committee. The compensation committee's tasks include preparing the board of directors' decision to propose remuneration guidelines for the CEO and the Executive Committee. Proposal for new remuneration guidelines shall be prepared at least every fourth year and submitted to the general meeting. The remuneration guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate the annual implementation of these guidelines. In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration.

Deviation from the guidelines

The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there in an individual case are special circumstances where a deviation is necessary in order to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the board of directors' resolutions in respect to remuneration-related matters for the CEO and the Executive Committee. This includes any resolutions to temporarily deviate from the guidelines.

Description of significant changes to the guidelines and how the views of shareholders' have been taken into consideration

Four years have passed since the previous guidelines for remuneration to Senior Executives were adopted, why the company's board of directors and remuneration committee have reviewed the guidelines. Minor editorial changes have been made compared to previous guidelines. No comments have been received on the guidelines from any shareholder.