

# STILLFRONT

GROUP

## **The board of directors' proposal for guidelines for executive remuneration**

These guidelines apply to remuneration and other terms of employment of the Chief Executive Officer (the “CEO”) and other individuals of the executive management of Stillfront Group AB (publ), reg. no. 556721-3078 (“Stillfront” or the “Company”).

Subject to what is set out in the next paragraph, these guidelines shall also apply in relation to a member of the board of directors of Stillfront who receives any remuneration from the Company and any reference herein to the “executive management” and/or an “executive” shall for such purposes be deemed to also include such board member.

These guidelines do not apply to any remuneration decided or approved by the general meeting.

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.

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

Stillfront's business strategy is to be a leading free-to-play powerhouse, offering long term first class digital entertainment through its global group of gaming studios. Organic growth and carefully selected and executed acquisitions embody Stillfront's growth strategy. For more information regarding the Company's business strategy, please see <https://www.stillfront.com/en/about-the-company/>.

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 qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The overall guidelines for remuneration to executive management shall be based on the position, the individual performance, the Company's earnings and that the remuneration shall be competitive.

*Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration based on annual performance targets (bonus), pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

### Fixed salary

The fixed salary shall be based on the individual's experience, field of responsibility and related to the relevant market. Fixed salary shall be revised annually.

### Variable cash remuneration

The satisfaction of criteria for awarding variable cash remuneration shall be measured annually. The variable cash remuneration for an executive manager may, as the main rule, correspond to not more than fifty per cent (50%) of the fixed annual cash salary.

However, the variable cash remuneration may correspond to up to one hundred per cent (100%) of the fixed annual cash salary of an executive manager if justified by remuneration structures or extraordinary arrangements in the individual case.

The variable cash remuneration shall be linked to predetermined and measurable criteria such as earnings, achievements in relation to the budget, the development of the Company's share price, fulfilled sustainability goals and personal performance.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

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 CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

#### Variable long-term incentive program (LTIP)

Long-term incentive programs have been implemented in the Company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The LTIPs include the executive management and other key individuals of the Company and its subsidiaries. The programs are conditional upon certain holding periods of several years. For more information regarding these LTIPs, including the criteria which the outcome depends on, please see <https://www.stillfront.com/en/remuneration/>.

#### Pension benefits and other benefits

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 thirty per cent (30%) of the fixed annual cash salary.

Other benefits may include, for example, medical insurance (*Sw: sjukvårdsförsäkring*) and company cars. Such benefits shall be limited and not exceed five per cent (5%) of the fixed annual 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*

Members of the executive management shall be offered employment terms in accordance with the laws and practices applicable to the country in which the employee is employed. Upon termination of an employment, the notice period may not exceed twelve (12) months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for one (1) year for any executive. When termination is

made by the executive, the notice period may not exceed six (6) months, without any right to severance pay.

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, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies.

#### *Salary and employment conditions for executive management*

When evaluating whether these guidelines and the limitations set out herein are reasonable, the board of directors (including the remuneration committee) has considered the total income of all employees of the Company, including the various components of their remuneration as well as the increase and growth rate over time.

#### *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 and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs 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.

#### *Information on remuneration resolved but not yet due*

There is no resolved remuneration that is not yet due.

#### *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 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.

There has been no deviation from the remuneration guidelines resolved by the annual general meeting 2020.