

## **THE BOARD OF DIRECTORS' DECLARATION ON DETERMINATION OF SALARY AND OTHER REMUNERATION TO THE EXECUTIVE MANAGEMENT IN PIONEER PROPERTY GROUP ASA**

This declaration has been prepared by the board of directors of Pioneer Property Group ASA (the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a, in connection with the Company's annual general meeting scheduled to be held on 19 May 2020.

The declaration includes the policies which the Company will use for the determination of salary and other remuneration to its executive management (the "**Executive Management**") in the calendar year 2020 as set out in Section 1 below. These policies shall be subject to an advisory vote by the general meeting.

Since the Company does not provide any equity-based remuneration to the Executive Management, guidelines on such remuneration have not been prepared and shall not be subject to approval by the Company's general meeting, cf. the Norwegian Public Limited Liability Companies Act Section 5-6 (3).

The information in Section 2 regarding remuneration practice for the financial year 2019 is not subject to any vote by the Company's general meeting.

### **1 GUIDELINES FOR SALARY AND OTHER REMUNERATION**

*The guidelines covered under this section address general aspects and principles for executive remuneration and are subject to a separate vote at the annual general meeting, the result of which is advisory (non-binding) for the board of directors. If the board of directors in an agreement deviates from the guidelines, the reason(s) for such deviation shall be included in the minutes of the meeting of the board of directors.*

The main purpose of the executive management remuneration is to encourage a strong and sustainable performance-based culture, which attracts, retains and develops qualified people with the right managerial and professional competencies, and thereby also supports and contributes to the Company's profit and increased shareholder value.

The fundamental principle in the Company's determination of remuneration for its Executive Management is that the terms are to be competitive with the terms of positions with similar responsibility, workload and complexity in the same markets.

More specifically, this implies that the members of the Executive Management shall be given a base salary and other remuneration at a level reflecting the principles mentioned above.

#### **The remuneration of the Executive Management includes:**

- (i) **Base salary** - Base salary is typically the primary component of the Executive Management's compensation and shall reflect the overall contribution of the executive to the Company. The base salary shall be determined based on job level, local competition, market salary band for the job and performance level.
- (ii) **Bonus payment** - The board of directors has established a performance-related program providing members of the Executive Management the right to annual cash bonuses in addition to the base salary, up to a certain amount stipulated in the individual employment agreement, provided that certain performance criteria are achieved. The size of the bonus

payment (up to the relevant maximum amount) is to be determined by the board of directors (concerning bonus to the CEO) or by the CEO (concerning bonus to other members of the Executive Management) in their sole discretion.

The Company has retirement plans in accordance with local market practice and mandatory law where applicable.

The Company has not established any share incentive programmes or other equity-based remuneration.

The Company has not entered into any termination agreements with the members of the Executive Management providing for benefits upon termination of employment.

The members of the Executive Management are not entitled to any forms of remuneration other than as set out above.

## **2 REMUNERATION PRACTICE IN 2019**

*The information in this section is not subject to any vote by the general meeting.*

As the Company did not have any employees until 24 October 2019, the Company has not previously prepared any declaration regarding the determination of salary and other remuneration for the Executive Management. However, the Company has complied with the above principles from the time the members of the Executive Management were employed by the Company. The agreements entered into with the members of the Executive Management in connection with their employment are considered to be in the best interest of the Company and its shareholders.

Salary and other remuneration for the members of the Executive Management for the year 2019 are described in further details in note 1 to the Company's annual accounts for 2019.