

2020

2021

REGENERATION
POLICY



REMUNERATION POLICY

I. SCOPE

Pursuant to article 7:89/1 of the Belgian Code of Companies and Associations (the “CCA”) and the Belgian Corporate Governance Code 2020 (“Code 2020”), this remuneration policy applies to the members of the board of directors (both the non-executive and the executive directors) and to the members of the management committee¹.

The remuneration policy was approved at the meeting of the board of directors of Retail Estates of 21 May 2021, based on the proposal of the remuneration and nomination committee. It is applicable as from 1 April 2021 (financial year 2021-2022) subject to its approval at the annual general meeting of the company that will be held on 19 July 2021.

Retail Estates will pay the remuneration of the directors and the members of the management committee in accordance with the approved remuneration policy. Should the general meeting not approve the remuneration policy, the company will continue to pay the remuneration in accordance with existing practices. In that case an adjusted remuneration policy will be submitted for approval to the next general meeting.

The company can temporarily deviate from the remuneration policy, but only in case of extraordinary circumstance and in accordance with the procedure laid down in section VI of this remuneration policy.

The remuneration policy will be presented to the general meeting on the occasion of every material change and at least every four years.

II. GENERAL VIEW OF REMUNERATION

Both the remuneration policy for directors and managers and the work and pay conditions of the employees of Retail Estates are based on the following principles, which reflect the company’s general view of remuneration:

- A remuneration in **line with market standards**, enabling the company to attract and retain talented directors, managers and employee, taking into account the size of the company and its financial perspectives. That’s why the company, where the remuneration of the directors and the members of the management committee is concerned, takes into account a **benchmark** against comparable companies.
- Remunerations **in proportion** to everyone’s individual responsibilities and experience.
- A **healthy relationship** between the remuneration of the management and that of the staff.
- **Stimulation of sustainable value creation** by taking into account the financial and non-financial performance criteria that contribute to the long-term interests and the sustainability of Retail Estates when determining the variable remuneration of the members of the management committee.
- Taking into account the **interests of all stakeholders**, including the viewpoint and perspective of a long-term shareholder.

¹ “Management committee” refers to both the existing management committee within the meaning of article 524bis of the (old) Belgian Companies Code and an informal management committee that will replace the existing management committee (after the discontinuation of the existing management committee by an extraordinary general meeting that will bring the company’s articles of association in line with the (new) Belgian Code of Companies and Associations). As soon as the existing management committee will have been dissolved on the basis of article 524bis of the (old) Belgian Companies Code, the members of this committee will be remunerated in the capacity of members of the informal management committee. The remuneration policy applicable to the members of the (old) management committee will be applicable mutatis mutandis to the members of the (new) informal management committee.

III. REMUNERATION POLICY FOR THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS²

1. The decision-making process for the determination, revision and implementation of the remuneration policy and measures to prevent and control conflicts of interests

The remuneration of the non-executive directors is determined by the (annual) general shareholders' meeting, based on the proposal of the board of directors. The remuneration and nomination committee submits proposals to the board of directors with regard to the remuneration of the non-executive directors.

The remuneration of non-executive directors takes into account their role as directors and their specific roles as chairperson of the board of directors, as chairperson or member of a committee within the board of directors, as well as the resulting responsibilities, the risks and the time dedicated to their tasks.

Every year after the end of the financial year, the remuneration and nomination committee evaluates and analyses the implementation of the remuneration policy and the individual remuneration on the basis of the above-mentioned criteria. The committee also takes into account a benchmark against the remuneration implemented in other comparable real estate companies, either listed or not. If necessary, the committee advises to adjust the implementation of the remuneration policy as well as the remuneration granted to non-executive directors. Material changes are always subject to approval by the general meeting.

The remuneration of the non-executive directors is determined by the general meeting. This is a legally determined exclusive authority of the general meeting, which ensures that no conflicts of interests can occur in this respect.

In addition, the statutory rules with respect to conflicts of interests (as laid down in the Belgian Code of Companies and Associations and in the BE-REIT Act) are applicable to the directors.

2. Components of the remuneration

The remuneration of the non-executive directors essentially consists of:

- a **fixed annual remuneration** that is identical for all non-executive directors, except for the chairperson, given their specific role and responsibilities;
- **attendance fees**; these fees are granted to the non-executive directors for their presence at the meetings of the board of directors and, as the case may be, for their presence at the meetings of the committees established within the board of directors.

The fixed director's remuneration is not determined on the basis of the operations and transactions performed by the company or its perimeter companies³ (article 35, §1 of the BE-REIT Act).

Insofar as necessary, it is clarified that the non-executive directors can in certain cases receive a specific remuneration if they perform **special, ad hoc assignments** for the board of directors, like site visits within the context of potential investments. Such a specific remuneration is determined by the board of directors on the basis of the relevant responsibilities or specific powers connected with the assignment.

The non-executive directors do **not receive any performance-linked (variable) remunerations** like bonuses and share options.

By way of derogation from provision 7.6 of the 2020 Code, the company does **not allot any shares** to non-executive directors. The company feels that the legal framework and the nature of the company (BE-REIT), its general policy and its mode of operation already meet the objective of provision 7.6 of the 2020 Code (which is to encourage the non-executive directors to act with the perspective of a long-term shareholder) and adequately guarantee that action is undertaken with a view to promoting long-term value creation. This perspective is embedded in the governance of Retail Estates as a regulated real estate company. The

Retail Estates share has a strong track record and the company's directors strive for solid earnings per share year after year, an ambition that is certainly achieved. Retail Estates feels that the directors have proved in the past that this perspective, without the award of a remuneration in the form of shares, is sufficiently present in the directors' conduct.

Obviously, the foregoing does not prevent certain non-executive directors from having a share participation in Retail Estates on the basis of a personal decision and without any obligation imposed by the remuneration policy.

The company took out a **civil liability insurance for directors** ("D&O Insurance") to cover the liability of its non-executive and executive directors. The premium of this insurance is paid by the company.

The non-executive directors do **not receive any other benefits in kind** (e.g. a company car, mobile phone, laptop computer or benefits linked to pension schemes).

However, the non-executive directors can receive a compensation for the normal and justified expenses and costs, of which they can prove that they were incurred within the context of their assignment.

The non-executive directors can (exceptionally) hold the mandate of director in one of the company's subsidiaries (e.g. Retail Warehousing Invest NV, an institutional real estate company). Any remunerations granted for the exercise of these mandates are incorporated into the remuneration report.

3. Appointment and dismissal of non-executive directors

The non-executive directors and the executive directors where their mandate as directors is concerned, are appointed by the general meeting for a period of 6 years maximally. They have the status of a **self-employed person**. Their **appointments can be revoked at any time** by the general meeting with a simple majority of votes, without notice period

or payment in lieu of notice. However, the general meeting has the option to grant a notice period or payment in lieu of notice within the context of the dismissal.

IV. REMUNERATION POLICY FOR THE CEO AND THE OTHER MEMBERS OF THE MANAGEMENT COMMITTEE⁴

1. The decision-making process for the determination, revision and implementation of the remuneration policy and measures to prevent and control conflicts of interests

The **remuneration and nomination committee** is entrusted with the preparation or assessment of proposals submitted to the board of directors with respect to the individual remuneration of the CEO and the members of the management committee, including the variable remuneration.

The remuneration for the CEO and the other members of the management committee is determined with a view to attracting, motivating and retaining the necessary talent, taking into account the size of the company and the individual responsibilities that are expected from the CEO and every member of the management committee, the required relevant experience and skills and the seniority. The remuneration and nomination committee presents the result of this analysis and its substantiated recommendations to the board of directors, which will then take a decision. The committee also takes into account a benchmark against the remuneration implemented in other comparable real estate companies, either listed or not.

The **board of directors** subsequently determines the remuneration of the CEO and the other members of the management committee, taking into account the proposals of the remuneration and nomination committee. The board of directors also ensures that the remuneration is consistent with the company's remuneration policy.

Specifically with respect to **the variable remuneration**, the **assessment of the performance targets** is discussed and analysed in a meeting of the remuneration

² The executive directors do not receive a remuneration in their capacity as members of the board of directors.

³ I.e., in accordance with article 2, 18° of the BE-REIT Act, "the company in which the regulated real estate company holds more than 25% of the share capital, either directly or indirectly, including the subsidiaries within the meaning of article 6, 2° of the Code of Companies."

⁴ See footnote 7.

and nomination committee. The variable remuneration can only be granted if the performance targets were met during the reference period. The extent to which the annual targets are met is assessed at least once a year, usually within two months after the end of the financial year. The extent to which the financial criteria were met is checked after the closure of the financial year on the basis of the accounting and financial data that are analysed in the audit committee. The assessment of the non-financial criteria is done by the remuneration and nomination committee on the basis of a reasoned proposal of either the chairperson of the board of directors (if it concerns the performance of the CEO) or the CEO in consultation with the chairperson of the board of directors (if it concerns the performance of the other members of the management committee). The remuneration and nomination committee subsequently presents their advice and proposal for remuneration to the board of directors. The board of directors grants the variable remuneration to every member of the management committee who qualifies on the basis of the result achieved.

The **required measures for the prevention and control of potential conflicts of interests have been taken** at several levels:

- The remuneration and nomination committee, which plays an advisory role in the determination of the remuneration of the CEO and the other members of the management committee, exclusively consists of non-executive directors. The majority of these members are independent directors. Consequently, the executive directors do not take part in the assessment of the proposal for remuneration formulated by the remuneration and nomination committee.
- The executive directors (and the members of the management committee who are not directors) do not take part in the deliberation and the vote during the board meeting at which their own remuneration is discussed, nor in the consultations with respect to their own remuneration that take place within the remuneration and nominations committee. At the request of the remuneration and nomination committee, the CEO answers the questions that are asked with respect to the remunerations of the other members of the management committee during the

consultations that take place within the remuneration and nomination committee.

In addition, the statutory rules with respect to conflicts of interests (as laid down in the Belgian Code of Companies and Associations and in the BE-REIT Act) are obviously also applicable to the members of the management committee who are also executive directors (at the moment, these members are the CEO and the CFO).

2. Description of the components of the remuneration of the CEO and the other members of the management committee

The remuneration of the CEO and the other members of the management committee consists of the following components:

- **A fixed remuneration**
- **A variable remuneration**
- **Other benefits**

These components of the remuneration are granted individually under the conditions to be determined by the board of directors based on the proposal of the remuneration and nomination committee.

The remuneration is determined in accordance with the articles 7:90, 7:91, 7:92 and 7:121 of the CCA.

By way of derogation from provision 7.9 of the 2020 Code, the company does not allot shares to the CEO and the other members of the management committee. The company feels that the legal framework and the nature of the company (BE-REIT), its general policy and its mode of operation already meet the objective of provision 7.6 of the 2020 Code (which is to encourage the executive management to act with the perspective of a long-term shareholder) and adequately guarantee that action is undertaken with a view to promoting long-term value creation. This perspective is embedded in the management of Retail Estates as a regulated real estate company. The Retail Estates share has a strong track record and the management strives for solid earnings per share year after year, an ambition that is certainly achieved. Retail Estates feels that the management

has proved in the past that this perspective, without the award of a remuneration in the form of shares, is sufficiently present in the management's conduct.

Obviously, the foregoing does not prevent certain members of the management committee, either or not directors, from having a share participation in Retail Estates on the basis of a personal decision and without any obligation imposed by the remuneration policy. The board of directors does reserve the right to introduce a mechanism for the granting of part of the remuneration in the form of shares (or share options).

The CEO will hold the **mandate of (managing) director in all subsidiaries** of the company. The other members of the management committee can also hold a mandate of director in the subsidiaries of Retail Estates. The mandate in (foreign) subsidiaries can be held via their management company if the CEO or the member of the management committee respectively is the permanent representative of this management company. Any remunerations received for the exercise of these mandates are incorporated into the remuneration report of the company. Unless agreed otherwise, the end of the agreement between the CEO or the member of the management committee on the one hand and the company on the other hand will also lead to the end of the mandates they exercise in the subsidiaries.

2.1 Components of the remuneration of the CEO

The CEO holds a mandate of executive director and is also a member of the management committee and charged with the company's daily management. In addition, the CEO is the effective manager of the company in accordance with the provisions of article 14, § 3 of the BE-REIT Act.

The mandate of the CEO in his capacity of executive director is not remunerated.

2.1.1 Fixed remuneration of the CEO

The fixed remuneration of the CEO is determined on the basis of his responsibilities and individual competences and skills, in addition to the experience in several fields (commercial, real estate-technical, legal, fiscal, financial, accounting and general policy).

The fixed remuneration is not determined on the basis of the operations and transactions performed by the company or its perimeter companies (article 35, §1 of the BE-REIT Act).

The fixed annual compensation is paid in twelve monthly instalments.

Any adjustments to the fixed remuneration are discussed every year by the remuneration and nomination committee, which presents a proposal to the board of directors. The board of directors subsequently takes a decision with respect to the fixed remuneration, respecting the rules relating to conflicts of interests.

At the request of the CEO the board of directors can decide to grant the fixed remuneration (partially) in the form of an individual pension benefit (type "defined contribution").

The fixed remuneration of the CEO is adjusted to the health index annually.

2.1.2 Variable remuneration of the CEO

The variable remuneration granted to the CEO under the conditions to be determined by the board of directors based on the proposal of the remuneration and nomination committee is determined on the basis of the extent to which previously determined **annual targets**, which are of a **qualitative** as well as of a **quantitative** nature, are met and on the basis of exceptional performances, if any, related to the above-mentioned targets and delivered in the course of the financial year. The annual targets can take into account the targets that have a positive influence on the company in the short term (STI) as well as those that have a positive influence in the long term (LTI). The targets are in line with the company's strategy.

A variable remuneration can only be granted if (a) the criteria for the granting of that variable remuneration or the part of the variable remuneration that depends on the results exclusively relate to the consolidated net result of the company, to the exclusion of all variations of the fair value of the assets and the hedging instruments and (b) no remuneration is granted on

the basis of a specific operation or transaction of the company or its perimeter companies⁵ (see article 35, §1 BE-REIT Act).

The board of directors avoids setting criteria that may incite the CEO to give preference to short-term targets that may influence the variable remuneration but may have a negative influence on the company in the medium and long term.

The amount of the **short-term variable remuneration** (STI) is determined on the basis of the actual achievement of quantitative and qualitative targets in the short term.

These quantitative targets comprise (to the extent that is allowed under the applicable law) the occupancy rate, the rental income, the operating margin, the completion of specific projects, ESG targets and investment and divestment targets. The qualitative targets may vary from one year to another depending on the priorities set with personnel management, external communication, leadership and other initiatives.

The targets are set and weighed depending on their importance. Their relative importance and the amount paid depending on the extent to which they are reached are determined by the board of directors based on the proposal of the remuneration and nomination committee. These targets are determined at the time at which the budget is prepared and take into account this budget, so that they are in line with the company's strategy.

The percentage of the short-term variable remuneration can vary between 0% and 35% of the annual fixed remuneration (if 100% of the targets are reached).

At the request of the CEO, the board of directors can decide on the form of this short-term variable remuneration (e.g. individual pension benefit (type "defined contribution)).

The purpose of the **long-term variable remuneration** (LTI) is to align the CEO's interests with those of the shareholders and to encourage the CEO to have a long-term vision.

The criteria for the long-term variable remuneration include the company's strategy, the evolution of the ESG targets and of the dividends over several years, as well as personal targets to support this multi-annual perspective.

The percentage of the long-term variable remuneration can vary between 0% and 35% of the annual fixed remuneration (if 100% of the targets are reached).

2.1.3 Other benefits for the CEO

The CEO benefits from an incapacity insurance or disability insurance.

In addition, the CEO receives a compensation for the normal and justified expenses and costs, of which he can prove that they were incurred within the context of his assignment. The company provides a laptop computer and a smartphone, but not a company car.

These other benefits combined represent maximally 10% of the annual fixed remuneration of the CEO.

In addition, an exceptional bonus can be granted to the CEO for non-recurring and exceptional performances if suggested by the remuneration and nomination committee and subject to the consent of the board of directors. This bonus does not have any impact on the possible granting of a variable remuneration for the same financial year. This bonus has to correspond to the general view of the board of directors on the remuneration policy, as explained under section II above. The exceptional bonus, as the case may be, represents maximally 35% of the annual fixed remuneration of the CEO.

2.1.4 Contractual terms and conditions applicable to the CEO

The agreement relating to the CEO provides for a **notice period** of eighteen months in case of termination of the agreement by Retail Estates. Any termination compensation to be paid if the company waives performance during the notice period shall be calculated in accordance with the fixed remuneration (including the annual premiums for the individual pension benefit (type "defined contribution")). The notice period was approved by the board of directors in accordance with the legal provisions and upon the advice of the remuneration and nomination committee, taking into account the CEO's contribution to the company's growth since the initial public offering in March 1998.

If the CEO terminates the agreement, the notice period is six months.

If the CEO is unable to perform his duties because of incapacity for work (illness or accident), Retail Estates shall continue to pay him the fixed portion of his remuneration for a period of two months from the first day of incapacity for work. Subsequently, he will receive a disability benefit from an insurance company, equalling 75% of the fixed remuneration (see section 2.1.3 above).

The agreement with the CEO provides for the right for the company to recover all or part of the variable remuneration during a period of one year after its payment if it appears that the payment was made on the basis of inaccurate information about the achievement of the targets on which the targets were based or about the circumstances on which payment of the variable remuneration depended and that this inaccurate information was due to fraud by the CEO.

2.2 The other members of the management committee

The remuneration of the other members of the management committee consists of the following components:

2.2.1 The fixed remuneration of the other members of the management committee

The fixed remuneration of the other members of the management committee is determined on the basis of their responsibilities and individual competences and skills, in addition to the experience in several fields that are relevant for each of their individual responsibilities (commercial, real estate-technical, legal, fiscal, financial, accounting and general policy).

The fixed remuneration is not determined on the basis of the operations and transactions performed by the company or its perimeter companies (article 35, §1 of the BE-REIT Act).

The fixed annual compensation is paid in twelve monthly instalments.

Any adjustments to the fixed remuneration are discussed every year by the remuneration and nomination committee, which presents a proposal to the board of directors. The board of directors subsequently takes a decision with respect to the fixed remuneration of the members of the management committee, respecting the rules relating to conflicts of interests.

At the request of the individual members of the management committee, the board of directors can decide to grant the fixed remuneration (partially) in the form of an individual pension benefit (type "defined contribution").

The fixed remuneration of the other members of the management committee is adjusted to the health index annually.

5 See footnote 9.

2.2.2 The variable remuneration of the other members of the management committee

The variable remuneration granted to the other members of the management committee under the conditions to be determined by the board of directors based on the proposal of the remuneration and nomination committee is determined on the basis of the extent to which previously determined annual targets, which are of a qualitative as well as of a quantitative nature, are met and on the basis of exceptional performances, if any, related to the above-mentioned annual targets and delivered in the course of the financial year. The annual targets take into account the targets that have a positive influence on the company in the short term (STI) as well as those that have a positive influence in the long term (LTI). The targets are in line with the company's strategy.

A variable remuneration can only be granted if (a) the criteria for the granting of that variable remuneration or the part of the variable remuneration that depends on the results exclusively relate to the consolidated net result of the company, to the exclusion of all variations of the fair value of the assets and the hedging instruments and (b) the variable remuneration is not granted on the basis of a specific operation or transaction of the company or its perimeter companies (see article 35, §1 BE-REIT Act).

The board of directors avoids setting criteria that may incite the members of the management committee to give preference to short-term targets that may influence their variable remuneration but may have a negative influence on the company in the medium and long term. In this context, special attention is paid to the ESG targets.

The amount of the short-term variable remuneration (STI) is determined on the basis of the actual achievement of quantitative and qualitative targets in the short term, which are set annually by the board of directors and assessed based on the proposal of the remuneration and nomination committee.

These quantitative targets comprise the occupancy rate, the growth, ESG targets, the operating margin and (to the extent allowed under the applicable legislation) special/exceptional projects. The

qualitative targets may vary from one year to another depending on the priorities set at the time of the preparation of the budget and include the usual fields, such as efficient and sustainable projects, leadership and other initiatives.

The targets are set and weighed depending on their importance. Their relative importance and the amount paid depending on the extent to which they are achieved are determined by the board of directors based on the proposal of the remuneration and nomination committee. These targets are determined at the time at which the budget is prepared and take into account this budget, so that they are in line with the company's strategy.

The percentage of the variable remuneration in the short term can vary between 0% and 35% of the annual fixed remuneration (if 100% of the targets are reached).

At the request of the relevant member of the management committee, the board of directors can decide on the form of this short-term variable remuneration (e.g. individual pension benefit (type "defined contribution)).

The purpose of the long-term variable remuneration (LTI) is to align the interests of the other members of the management committee with those of the shareholders and to encourage the management committee and its individual members to have a long-term vision.

The criteria for the long-term variable remuneration include the company's strategy, the evolution of the ESG targets and of the dividends over several years, as well as personal targets to support this multi-annual perspective.

The percentage of the long-term variable remuneration can vary between 0% and 35% of the annual fixed remuneration (if 100% of the targets are reached).

2.2.3 Other benefits of the other members of the management committee

The other members of the management committee benefit from an incapacity or disability insurance, an orphan's pension and a hospitalisation insurance, in addition to the reimbursement of representation expenses.

In addition, a smartphone and a laptop computer and/or a tablet are provided, as well as a company car in some cases. The company may pay the costs of a company car, or they may be included in the fixed remuneration of the member of the management committee. This is decided in consultation with the member of the management committee.

In addition, the other members of the management committee receive a compensation for the normal and justified expenses and costs, of which they can prove that they were incurred within the context of their assignment.

These other benefits represent maximally 10% of the annual fixed remuneration of the individual members of the management committee.

In addition, an exceptional bonus can be granted to a member of the management committee for non-recurring and exceptional performances if suggested by the remuneration and nomination committee and subject to the consent of the board of directors. This bonus does not have any impact on the possible granting of a variable remuneration for the same financial year. This bonus has to correspond to the general view of the board of directors on the remuneration policy, as explained under section II above. The exceptional bonus, as the case may be, represents maximally 35% of the annual fixed remuneration of the individual members of the management committee.

2.2.4 Main characteristics of the agreement between Retail Estates and the other members of the management committee

The agreements with the other members of the management committee, who all have the status of self-employed people, are open-ended agreements and provide for a notice period of 12 months. In the agreement with the CFO, the notice period is 18 months if the company terminates the agreement less than six months following the successful conclusion of a (hostile) takeover.

In case of termination of the agreement on the initiative of the company without observing a notice period, save in the event that no notice period or compensation is required according to the agreement, the member concerned is contractually entitled to a compensation for the termination of the agreement, which equals the remuneration to which the member concerned would have been entitled during the notice period that should have been observed.

There are no special provisions for the recovery of variable remuneration. However, the provisions of civil law relating to undue payments are in full force and effect.

V. COMMENTS ON THE MANNER IN WHICH THE EMPLOYEES' WORK AND PAY CONDITIONS WERE TAKEN INTO ACCOUNT WHEN DETERMINING THE REMUNERATION POLICY

The remuneration and nomination committee informs itself of the annual proposals relating to **the global budget** (the so-called "cost to the company") **of the fixed remunerations of the employees** of the company (i.e. other than the directors and the members of the management committee) and relating to the global budget of the variable remunerations granted to the employees. The personnel budget determined by the committee is presented for approval to the board of directors every year before the start of the relevant financial year. At the request of the board of directors, the committee also takes a decision with respect to the proposals of the executive directors relating to the recruitment of staff members and the initial remuneration of new staff members, as well as with respect to any revision of the remuneration (in the broadest sense) of certain other persons who hold key positions in the company.

As is the case for the directors and the members of the management committee, there is currently **no share (option) scheme for the benefit of the staff**.

The **variable remuneration of the employees** consists of a part that is linked to their individual targets and a part that is linked to the joint performance targets (non-recurring results-based benefit CLA 90). The operating property result, the EPRA earnings per share, determines to which degree the joint variable remuneration is granted. The remuneration policy for the members of the management committee is determined taking into account the general view referred to above (see section II) and applicable to the entire company. That is why the remuneration of the staff resembles the broader remuneration framework of the company in the sense that the short-term remuneration of both the members of the management committee and the staff in general is determined on the basis of the same financial performance criteria.

VI. PROCEDURE TO DEVIATE FROM THE REMUNERATION POLICY

The company can temporarily deviate from the remuneration policy, provided that the deviation is justified by **exceptional circumstances** and only if the deviation is **necessary to serve the long-term interests and the sustainability of the company as a whole or guarantee its viability**.

The following procedure must be followed in order to implement a deviation:

- A well-reasoned advice of the remuneration and nomination committee in accordance with the conditions described above;
- A decision of the board of directors, which takes into account the advice of the remuneration and nomination committee and also respects the conditions laid down for that purpose.

The board of directors will include the temporary deviation in the remuneration report.

VII. CHANGES COMPARED TO THE LAST APPROVED REMUNERATION POLICY

This remuneration policy is submitted for approval for the first time to the annual general meeting of July 2021.

There are no material deviations from the existing remuneration practices implemented in the company in the past.