



## **Resolution on guidelines for remuneration to senior executives (item 12)**

The board of directors proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives in Neobo.

Senior executives include the CEO and other members of the senior group management. The guidelines shall also apply to members of the board of directors of Neobo, to the extent that they receive remuneration in addition to their board duties. The guidelines shall apply until further notice, but no longer than until the Annual General Meeting in 2028. The guidelines apply to agreements entered into after the adoption of the guidelines, as well as to any changes made to existing agreements after that date. The guidelines do not cover remuneration resolved upon by the general meeting.

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

Neobo's business concept is to manage and refine residential properties in Swedish municipalities experiencing population growth and good demand for residential properties. Neobo shall i) have a long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield, ii) have a sustainability work that is an integrated part of all operations and is continuously adapted to meet the requirements of CSRD, iii) have a local management organisation that works closely with customers with a focus on leasing and value-generating refinement and iv) have a geographically well-diversified property portfolio in municipalities with population growth and a housing deficit. For further information on Neobo's business strategy, please see the company's website [www.neobo.se](http://www.neobo.se).

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. These guidelines enable the company to offer senior executives a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

### **Types of remuneration, etc.**

The remuneration shall be on market terms and may consist of a fixed cash salary, a variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may, irrespective of these guidelines, resolve on, for example, share-related or share price-related remuneration or similar types of remuneration.

#### ***Fixed salary***

The fixed salary shall consist of a fixed annual cash salary. The fixed salary shall be in line with the market and determined taking into account responsibility, experience and performance. The fixed salary is, as a general rule, revised every year.

#### ***Variable cash remuneration***

In addition to fixed salary, short-term variable remuneration can be offered. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be both financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its



sustainability, by for example being clearly linked to the business strategy or promote the senior executive's long-term development.

The variable cash remuneration may amount to not more than 50 per cent for the CEO and 25 per cent for the other members of the senior group management, respectively, of the total fixed cash salary during the measurement period for such criteria. Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary efforts beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25 per cent of the fixed annual cash salary and may not be paid more than once a year per individual.

The fulfilment of criteria for awarding variable cash remuneration should be able to be measured over a period of one year. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. Decisions on variable remuneration shall be made by the board of directors as regards the CEO and by the board of directors as regards other senior executives based on a proposal from the CEO.

The board of directors shall be able, in accordance with law or agreement, with the limitations that follow from it, to fully or partially recover variable remuneration paid on incorrect grounds.

#### ***Other benefits***

Non-monetary benefits for senior executives shall facilitate the performance of senior executives and be in line with market conditions. Premiums and other costs related to such benefits may amount in total to a maximum of 10 per cent of the fixed annual cash salary.

#### ***Incentive programmes***

Senior executives may be offered incentive programmes which shall mainly be share or share price related. An incentive programme shall aim to improve the participants' commitment to development and be implemented on market terms. Share and share price related incentive programmes shall be resolved upon by the general meeting and are therefore not covered by these guidelines. For information on outstanding incentive programmes, see the company's website, [www.neobo.se](http://www.neobo.se).

#### ***Pension***

Senior executives' pension terms shall be based on defined contribution pension solutions.

#### ***Termination of employment***

Senior executives shall have a period of notice of not more than twelve months when termination is made by the company and of not more than six months when termination is made by the senior executive. In addition, severance pay may be awarded, however it may not exceed an amount corresponding to twelve months' cash salary for the CEO and six months' cash salary for the other members of the senior group management, respectively.

#### ***Salary and employment conditions for employees***

In the preparation of the board of director's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and its increase and growth rate over time, in the board of director's basis of decision when evaluating whether the guidelines



and the limitations set out herein are reasonable. The development of the difference between the remuneration to senior executives and the remuneration to other employees will be reported in the remuneration report.

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

The board of directors has not established a remuneration committee. Instead, the board of directors in its entirety performs the tasks incumbent on a remuneration committee. The board of directors' decides on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management. 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 board of directors shall also monitor and evaluate any programs for variable remuneration, both ongoing and those that have ended during the year, for the senior management, the application of the guidelines regarding the remuneration of directors and managers, as well as the current remuneration structures and levels in the company. 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.

#### **Remuneration to members of the board of directors**

In special cases, board members elected by the general meeting shall be able to receive fees and other remuneration for work carried out on the company's behalf, alongside their board work. Fees at market rates, to be approved by the board of directors, may be payable for such services. These guidelines are applicable on such remuneration.

#### **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 a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. If such derogations occur, this shall be reported in the remuneration report for the next annual general meeting.