

Guidelines for the Remuneration to the CEO and executive management of Prisma Properties AB

The annual general meeting of Prisma Properties AB, reg. no. 559378-1700 (the "**Company**") adopted these guidelines for the remuneration of the CEO and executive management of the Company (the "**Remuneration Guidelines**") on 6 May 2024, conditional upon the listing of the Company's shares on Nasdaq Stockholm on 30 June 2024 at the latest. The "**Group**" below refers to the group in which Prisma Properties AB is the parent company.

Introduction

These Remuneration Guidelines apply to remuneration paid to the chief executive officer and other members of the executive management of the Company, as well as to changes to already agreed remuneration, that are agreed upon after the adoption of the Remuneration Guidelines by the general meeting held on 6 May 2024. Remuneration that shall be resolved upon by the general meeting, such as share-based long-term incentive programmes, are not covered by the Remuneration Guidelines.

These guidelines also apply to the members of the board of directors of the Company, to the extent they perform duties outside their board assignment.

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

The Company's business objective is to create value by being an active property company that sustainably develops and owns properties for discount stores, grocery stores and fast food restaurants. The Company expands and develops its property portfolio according to a clear growth agenda supported by rapid decision-making, flexibility, in-depth knowledge and financial strength. Through new developments and tenant adaptations, the Company creates properties that are managed with a long-term perspective to create value for the Company's owners and stakeholders.

For further information on the Company's business strategy, see www.prismaproperties.se.

These Remuneration Guidelines have been developed to contribute to the successful implementation of the Company's business strategy, to promote the Company's long-term interests, including its sustainability, as well as to create clarity and transparency regarding the remuneration to be paid to the executive management and the conditions under which remuneration can be paid to board members outside of their regular board assignment. Furthermore, the Remuneration Guidelines aim to create favourable conditions for the Company to attract and retain competent and qualified senior management, to stimulate an increased interest in the Company's business and performance, to achieve increased alignment of interests between the Company's shareholders and executive management, and to contribute to good ethics and corporate culture in the Company.

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

Remuneration and remuneration principles

The Company aims to offer a total remuneration that is in line with market practice and which thereby contributes to the Company's ability to attract and retain qualified executive management. Remuneration shall be based on the executive's position, responsibilities, and performance. The total remuneration, which varies depending on the individual's and the Group's performance, may consist of the following components:

- Fixed salary
- Variable cash remuneration
- Possibility to participate in long-term, share-based incentive programmes
- Occupational pension and other customary benefits
- Salary and other applicable benefits during the termination period

Additional remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are applied only on an individual basis, either for the purpose of recruitment or retention of executives, or as compensation for extraordinary efforts beyond the individual's regular duties. Such compensation may not exceed an amount equalling 50 per cent of the fixed annual salary.

Fixed salary

Fixed salary forms the basis of the total remuneration. The fixed salary shall be based on the competence, responsibilities and performance of the member of the executive management and shall be competitive in relation to current market standards. The fixed salary shall be evaluated annually.

Principles for variable remuneration

The potential variable remuneration shall be linked to predetermined and measurable performance criteria and primarily be based on the Group's financial performance for each year. The variable remuneration shall be based on pre-defined individual and group-wide targets, for the Company and/or the department for which the senior executive is responsible, and may for example constitute a combination of growth, profitability, cash flow and activity targets. The targets shall be developed and documented annually by the board of directors in relation to the fulfilment of the duties of the remuneration committee, or the remuneration committee (if the board of directors establishes such a committee), based on, and with the aim of promoting the Company's business strategy, financial objectives, and long-term interests, including sustainability. The objectives may include share price-related or financial targets, either at group or entity level, operational objectives, as well as sustainability and social responsibility, employee engagement, or customer satisfaction objectives. The variable remuneration should also be designed to increase alignment of interests between the Company's shareholders and senior executives, in order to contribute to the long-term interests of the Company.

Resolutions regarding the variable remuneration model and the outcome of such model shall be made by the board of directors.

Variable remuneration paid in cash to the chief executive officer and other senior executives shall not exceed 25 per cent of the fixed annual salary. Variable cash remuneration shall not be pensionable, unless otherwise agreed or applicable under a mandatory pension scheme.

The Company shall have the right under contract, subject to any limitations which may result therefrom or by law, to recover variable remuneration already paid, subject to certain conditions.

The general meeting may resolve upon the establishment of long-term, share-based incentive programmes, which shall be designed to promote long-term value creation and achieve greater alignment of interests between the participating senior executives and the Company's shareholders. The incentive programmes shall be clearly linked to the Company's business strategy and thereby long-term value creation, including its sustainability. If the Company resolves to implement a share-based incentive programme, it shall be designed in accordance with the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes, which are administered by the Stock Market Self-Regulation Committee (Sw. *Aktiemarknadens självregleringskommitté*), and statements from the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*).

Pension and other benefits

Pension benefits, including health insurance, shall, if possible, be premium defined.

Defined contribution pensions shall represent a proportion of the total remuneration not exceeding 30 per cent of the fixed annual salary. Said limit shall not prevent salary exchange of cash salary for pension provision in accordance with the Company's pension policy, applicable from time to time.

Other benefits, such as non-monetary benefits, insurance and, where applicable, company cars, may be offered in accordance with customary rules and market standards.

For employment relationships governed by rules other than Swedish rules, the various components of the total remuneration may be duly adjusted to comply with mandatory local rules or practices, while recognising as far as possible the overall purpose of these guidelines.

Notice period and remuneration after termination of employment

Notice periods in the event of termination of employment may not exceed 12 months. Redundancy pay and other applicable benefits are paid during the notice period. No severance pay, other than salary and other benefits during the notice period, is paid.

Compensation for non-compete undertakings may be paid to the extent that the former executive is not entitled to severance pay, as compensation for loss of income. The compensation shall be based on the fixed cash salary at the time of termination and shall be paid for the duration of the non-compete undertaking, which shall not exceed six months after the termination of employment. Compensation for the agreed non-compete undertaking shall comply with applicable legislation and market practice at that time.

Remuneration to members of the board of directors

Members of the board of directors may, in exceptional cases where particularly motivated by the member's competence and suitability, perform services outside of their regular board assignment. Such services shall be remunerated at market rates, and be determined by the board of directors. Such remuneration shall be presented in the financial statements in accordance with applicable accounting rules.

Preparation, decision-making processes, etc.

Matters regarding salary and other remuneration, including the outcome of variable remuneration to the chief executive officer and other senior executives of the Company shall be prepared by the board of directors through the fulfilment of the tasks of the remuneration committee, or the remuneration committee if the board of directors establishes such a committee, and be resolved upon by the board of directors, except where a resolution by the general meeting is required.

The board of directors, when fulfilling the tasks incumbent on the remuneration committee, or, where applicable, the remuneration committee, shall prepare proposals for resolutions on remuneration principles for senior executives, including guidelines for remuneration of the executive management. The board of directors shall prepare proposals for new guidelines at least every four years and present the proposal for resolution to the annual general meeting. The guidelines shall apply until new guidelines are adopted by the general meeting. Furthermore, the board of directors, when fulfilling the tasks incumbent on the remuneration committee, or, where applicable, the remuneration committee, shall follow-up and conduct evaluations of ongoing and ended programmes for variable remuneration for senior executives, as well as follow-up and evaluate the application of the remuneration guidelines and applicable remuneration structures and remuneration levels in the Company.

Salary and employment terms for employees

In the preparation of the board's proposal for the remuneration guidelines, salary and employment conditions for the Company's employees have been taken into account by including information on the employees' total remuneration, the components of the remuneration and the increase and growth rate of the remuneration over time as part of the board's basis for evaluating the appropriateness of the guidelines and the limitations that follow from them.

When the board of directors addresses and resolves upon remuneration-related matters, the chief executive officer and other members of the executive management shall not be present, to the extent that they are affected by the matters.

Information regarding remuneration

For further information regarding remuneration, refer to the Company's financial reports, available at the Company's website. The development of the difference between the remuneration of senior executives and that of other employees will be disclosed in the Company's remuneration report.

Deviation from the Remuneration Guidelines

The board of directors is entitled to deviate from these Remuneration Guidelines, in whole or in part, in extraordinary cases where the board of directors finds that exceptional reasons exist in an individual case and where deviation is necessary to fulfil the Company's long-term interests, including its sustainability, or to ensure the Company's financial strength.
