

The Board of Directors' report on Remuneration Committees' evaluation of remuneration in accordance with section 10.3 of the Swedish Corporate Governance Code

The Board of Directors of Hoist Finance AB (publ) ("**Hoist Finance**") has established a Remuneration Committee which prepares the decisions of the Board of Directors on issues concerning remuneration principles, remuneration and other terms of employment for executive management team members and control function employees.

The Remuneration Committee shall also monitor and evaluate (i) variable remuneration programmes for the executive management team, both ongoing and those completed during the year, (ii) the application of the guidelines for remuneration to senior executives adopted by the Annual General Meeting; and (iii) the Hoist Finance group of companies' (the "**Group**") remuneration structure and remuneration levels. Pursuant to section 10.3 of the Swedish Corporate Governance Code, the Board of Directors hereby presents the following report on the results of the Remuneration Committee's evaluation.

Hoist Finance's objectives shall be to strive to offer competitive total remuneration which enables Hoist Finance to attract, retain and motivate employees who have the requisite skills. Furthermore, the remuneration shall encourage good performance, prudent behavior and risk-taking aligned with customers' and shareholders' expectations. The total remuneration shall reflect the complexity, the level of responsibility and competence required for every position as well as the individual employee's performance.

The current guidelines for remuneration to senior executives were adopted at the Annual General Meeting in Hoist Finance on 16 May 2018. The Remuneration Committee has confirmed that Hoist Finance has complied with these guidelines with one exception. The exception is related to when Hoist Finance deviated from these guidelines in relation to an agreement to award a senior executive with variable remuneration exceeding 50 per cent of the fixed salary. The deviation is a result of that the Remuneration Committee and the Board of Directors consider the person to be instrumental to the Group's business and hence assessed that there has been a specific reason for deviating from the current guidelines.

There is currently no ongoing share or share related incentive program for the executive management team, and no such programme has been completed during the year. However, the Remuneration Committee has proposed to the Board of Directors that the company should establish a long-term share-based incentive programme, a so-called LTIP, for the executive management team and some other key personnel. The purpose of the programme is to promote value creation while at the same time it should aim to attract and retain senior executives who are crucial for Hoist Finance's long-term success, and achieve an increased community of interest between the participants in the programme and the company's shareholders. The proposed guidelines for remuneration to senior executives have been updated to reflect the proposal from the Board of Directors regarding a long-term share-based incentive programme.

The overall conclusion of the Remuneration Committee and the Board of Directors is that the current applied structures and levels of remuneration in the Group otherwise are in accordance with market terms.



Stockholm, April 2019
Hoist Finance AB (publ)
The Board of Directors

