

# 2021 Remuneration Policy

## Introduction

In accordance with the amended section of 6-16a of the Public Limited Liability Companies Act, the Board of Directors, based on a recommendation of the Compensation Committee, has prepared the remuneration policy for senior executives for adoption by the 2021 Annual General Meeting of Shareholders (AGM). Subject to adoption by the AGM, the remuneration policy is intended to remain in place for four years.

## Our approach to remuneration

The Board of Directors aims to have reasonable, well balanced, and competitive remuneration packages that attract and retain talented employees that are crucial to our business. The key objectives of the remuneration policy are i) promote sustainable company and individual performance, ii) be competitive and attract and retain top talent, and iii) to drive long-term shareholder value.

At Schibsted we are visionaries, journalists and entrepreneurs, builders and idea creators. We all share a dream of change: we hope to make the world a little bit better and life a little bit easier for our users. Our remuneration policy is therefore designed to incentivize and reward:

### **Innovation, focus on sustainability and growth**

Variable pay is closely linked to our key drivers of performance, which are important measures of the successful execution of our strategy to be the driving force in the digital transformation of the society. We aim to provide consumers with high quality and user-friendly products and knowledge, thereby empowering people to influence, learn and interact and to be a part of a new world of opportunities. We also set stretching incentive targets to drive high performance and focus on growth.

### **Long-term view and alignment with long-term shareholder value**

The long-term incentive plan (LTI) is designed to reward significant performance and constitutes, in such cases, the largest component of the remuneration. The LTI is thereby strengthening the alignment between remuneration, the company and the share price performance, reflecting the philosophy that executive compensation should be linked to the strategy aimed at long-term value creation.

### **Relevant and adaptable**

We operate a diverse business in different business cycles. To excel in this environment, we have a remuneration strategy that can be adapted quickly to address change. This will ensure that we can compete for top talent and respond to business needs pro-actively in attracting and retaining crucial talent.

## Remuneration elements

Our executive remuneration is comprised of the following elements: a fixed salary, a short-term incentive paid annually in cash, a long-term incentive in the form of shares and retirement and other benefits.

## 1. Fixed Salary

The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits are calculated) shall be reasonable, balanced, competitive and represent a significant component of executive compensation.

Base salary is reviewed annually and the Board of Director may consider various factors when determining any salary changes, including the level of salary increases for Schibsted employees globally, market benchmark data, business performance, role scope, market practice in relevant countries, and individual contribution. The Compensation Committee regularly consults with the CEO and EVP People in order to be informed of employee pay, conditions and engagement across the broader employee population.

## 2. Short-Term Incentive Plan

The short-term incentive plan provides senior executives with a cash incentive for the achievement of specific annual goals that are aligned to the business strategy for value creation and growth. Performance measures and targets for those measures are set by the Board of Directors on an annual basis. The measures may include a balance of financial and non-financial (ESG, key operational and strategic) measures, aligned to the strategic objectives of the company. Financial measures may include but not limited to profitability, revenue, cash flow or return measures. Performance measures and weighting may differ year on year reflecting the priorities of the business. Details of performance measures for each year and how they support the business strategy will be disclosed in the annual remuneration report.

After the end of each year the Board of Directors reviews the performance of the Group Management Team and determines the extent to which each of the targets has been achieved, in order to determine the final payout level. Payouts only take place after verification by the external auditor of the financial statements of the company.

The maximum short-term incentive opportunity is capped at 100% of fixed salary.

## 3. Long-Term Incentive Plan

The long-term incentive plan aligns the interests of executives with those of shareholders by granting shares to executives as a reward for delivery of long-term performance objectives and for creating value for stakeholders.

The LTI award may consist of two separate elements: performance shares equal to 70%-100% of LTI award grant value and fixed shares equal to 0%-30% of the LTI award grant value. The total LTI grant value is capped at 100% of fixed salary.

Fixed shares and performance shares vest at the end of the three-year performance period. By using a three-year performance period, there is a clear relation between remuneration and long-term value creation. Performance measures, weightings and targets for these selected measures for the performance shares are set by the Board of Directors for each commencing LTI plan to ensure they continue to support Schibsted's long-term strategy. Performance measures may include, but are not limited to, financial, non-financial and share-price related

measures. Details of performance measures for each performance shares grant and how they support the long-term strategy will be disclosed in the annual remuneration report.

The performance measure for 2021 performance shares is Total Shareholder Return ('TSR') performance relative to the Europe Stoxx 600 index. Vesting is subject to a minimum performance threshold whereby Schibsted's TSR performance must be at or above the 25<sup>th</sup> percentile when compared to the companies in the index. Subject to the performance threshold being met, the performance shares shall vest as follows:

- At the 25<sup>th</sup> percentile, the grant value of the performance shares shall vest at 50%
- At the 50<sup>th</sup> percentile, the grant value of the performance shares shall vest at 100%
- At or above the 75<sup>th</sup> percentile, the grant value of performance shares shall vest at 300% (3 times the face value)
- Vesting in-between the above performance milestones shall be on a straight-line basis

In addition to the long-term incentive, executives together with other employees are eligible to participate in the all employee share savings plan. All group employees are invited annually to save up to 5 percent of their fixed annual salary, subject to a maximum of NOK 50,000, through payroll deductions in order to purchase shares in Schibsted. The share purchase is made on market terms four times a year, after the release of Schibsted's quarterly results. Employees who choose to hold their shares for two years and are still employed (and not under notice of termination, given or received) by the Group at the end of this holding period, are entitled to receive one free share per two shares purchased and held during the holding period.

#### 4. Pension plans

The pension plans for which senior executives are eligible are intended to be competitive in the relevant market and may evolve year on year.

The CEO and Executive Management Team members participate in the applicable country pension plans and local rules governing pension entitlement, social security entitlement and taxation are considered when designing individual pension plans. Annual pension contributions are normally in the range of 10-30% of annual fixed salary but may be adjusted going forward based on new or evolving market practice in each local country. Further information regarding the pension plans is disclosed in the annual remuneration report and financial statements.

#### 5. Benefits

The benefits for which senior executives are eligible are intended to be competitive in the relevant market and may evolve year on year. Senior executives may normally be given benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking.

Additional benefits and allowances may be offered in case of relocation or international assignment in line of Company's international mobility policy, such as for example relocation costs, expatriation allowance, tax equalization, reimbursement for international schools, travel, housing support, and other benefits which reflect local market practice.

Further information regarding the benefit plans is disclosed in the annual remuneration report and financial statements.

## Claw-back and malus provision

Variable pay awards (STI and LTI awards) are subject to malus (adjustment before pay-out) and clawback (reclaimed after pay-out) provisions, which can be applied in case of material misstatement, in the event of fraud or criminal activity, a breach of a non-competition clause or a breach of Schibsted's Code of Conduct or any other circumstance as determined by the Board of Directors at its discretion. Any application of claw-back or malus will be disclosed and explained in the annual remuneration report.

## Employment contracts and severance pay

Executive contracts are typically with indefinite duration but may be offered on occasion for fixed term. Upon termination of employment, the notice period may not exceed 6 months.

The maximum severance pay is capped at 18 months' fixed salary in addition to pay during the six-month notice period.

A non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

## Deviation from the guidelines

The Board of Directors may temporarily deviate from any sections of this remuneration policy based on its full discretion in case of upon material changes in company structure, organization, ownership and business, upon change of the relevant legislation or legal praxis and in any other circumstance where the deviation may be required to serve the long-term interests and sustainability of the company or to assure its viability

## Remuneration governance and decision-making process

The Board of Directors have appointed a Compensation Committee that is responsible for preparing the Board of Directors' decision to propose remuneration policy for the CEO and the Executive Management Team. The Compensation Committee is responsible for identifying and proposing revisions to the remuneration policy to ensure the policy is fit for purpose. The Compensation Committee shall also monitor the annual implementation of this policy. The remuneration policy will be submitted for adoption to the AGM at least every four years, as well as in case of material amendments to the policy.

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration.