

## **The Board of Directors' report in accordance with paragraph 10.3 of the Swedish Corporate Governance Code**

According to the Swedish Corporate Governance Code the board shall establish a remuneration committee which shall have as their main task to monitor and evaluate programs for variable remuneration to the executive management, the application of the guidelines for remuneration that the annual general meeting has resolved on as well as the current remuneration structures and remuneration levels in the company.

The Board of Directors of Catena Media plc has formed a Remuneration Committee consisting of Øystein Engebretsen and Per Widerström. Mr. Widerström replaced Mathias Hermanson who resigned from the Board of Directors in connection with the AGM 2019. Mr. Engebretsen is the chairman of the committee.

The Board hereby submits the following report of the results of the Remuneration Committee's evaluation of the programs for variable remuneration, the application of the guidelines for remuneration that the Annual General Meeting of Catena Media has resolved on and the current remuneration structure and remuneration levels in the Company.

Remuneration to Catena Media's Senior Management consists of a fixed salary, a possible variable compensation, the possibility to participate in share-based long-term incentive programs, as well as pension schemes and customary benefits.

The variable compensation for the CEO is capped at 80 per cent of the annual basic salary and in respect of other members of the Senior Management than the CEO, the variable remuneration is capped at 70 per cent of the annual basic salary and is based on the outcome of individual goals, determined by the Board. This compensation is cash-based.

For the CEO, the Senior Management and other key employees of the Catena Media Group there are share-based long-term incentive programs as for 2017, 2018 and 2019. The programs run for three years and are performance-based.

The Remuneration Committee has evaluated the outcome of the variable compensation for the Senior Management and the conclusion is that the variable compensation is satisfactory and is aligned with the interests of the Company and the shareholders.

The Remuneration Committee has further evaluated the ongoing share-based incentive programs for the Senior Management and concluded that they are working well and that they constitute effective tools for attracting, retaining and motivating the Senior Management and other key employees. In order to continue to incentivise the Senior Management and key persons and to achieve a greater alignment of interests between the participants and the shareholders, as well as to create conditions for retaining and recruiting competent persons to the Catena Media Group, the Board and the Remuneration Committee have prepared a proposal on a new long-term incentive program for the Annual General Meeting 2020, which corresponds to the 2019 program. However, in light of the Remuneration Committee's review and evaluation, certain minor adjustments have been proposed to make the program better aligned with its purpose. The proposed 2020 program has been described further in the notice of the Annual General Meeting.

According to effective guidelines for remuneration, adopted by the 2019 Annual General Meeting, their purpose is to ensure the Company's access to executives with the right set of skills and that the Company can offer a remuneration that is on market terms and competitive. The Remuneration Committee has evaluated these guidelines and the application thereof. The conclusion is that the guidelines effectively have fulfilled their purpose and functioned as intended and the application of the guidelines has been correct, however the Remuneration Committee noted that the current guidelines adopted at the 2019 Annual General Meeting would need to be updated in view of the new EU rules (the EU Shareholder Rights Directive).

The Remuneration Committee has therefore recommended the Board to propose that the 2020 Annual General Meeting adopt guidelines for remuneration to senior management that are updated in line with the guidelines adopted at the 2019 Annual General Meeting and in view of the new EU rules (the EU Shareholder Rights Directive).

Furthermore, the Remuneration Committee has evaluated the structures and levels for compensation in the Company, and the Remuneration Committee finds these to be in line with the going rate in the market.

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Malta in April 2020

CATENA MEDIA PLC

*The Board of Directors*