

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 policies, benefits 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 current guidelines for remuneration to senior executives were adopted at the Annual General Meeting in Hoist Finance on 29 April 2016. The Remuneration Committee is of the opinion that Hoist Finance complies with these principles, and that the principles serve their purpose of encouraging employees to achieve results in line with the company's targets, strategy and vision and to act in accordance with the company's ethical code of conduct and basic principles. Payment of variable remuneration, pursuant to the guidelines, is connected to the Group's as well as the specific business unit's results and the individual performance by the employee, which contributes to an increase in value for the company's shareholders. The conclusion of the Remuneration Committee is that the variable remuneration fulfils the objectives of the remuneration.

There is currently no ongoing share or share related incentive programme for the executive management team, and no such programme has been completed during the year. It is however noted that several key employees have acquired warrants at market price, which entitles them to subscribe for shares in the company. The subscription period for the majority of these warrants expired in December 2016 and the warrants were consequently exercised at that time.

The Group's remuneration structure is based on three main components: fixed salary, variable remuneration and pension and other benefits. The total remuneration reflects the complexity, the level of responsibility and competence required for every position as well as the individual employee's performance. The overall conclusion of the Remuneration Committee is that the current applied structures and levels of remuneration in the Group are well suited to fulfil the objectives of the remuneration.



Stockholm, March 2017
Hoist Finance AB (publ)
The Board of Directors

