

Item 12 – The board of directors proposal regarding guidelines for remuneration to senior executives

The board of directors of Crown Energy AB, reg. no. 556804-8598, (the “Company”) proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives. The guidelines are the same as last year.

The board of directors shall be entitled to deviate from the guidelines in an individual case if there are special reasons for it. In such event information regarding this and the reason for the deviation shall be presented at the next annual general meeting.

Salary and other benefits:

Remuneration to the managing director and other senior executives shall comprise of a base salary in line with current market practice. Benefits, if any, shall only be a limited part of the remuneration.

Pension:

Pensions to the managing director and other senior executives shall consist of a defined contribution which means that accrual is made through the parent Company’s yearly premium payments. The managing director’s pension contributions shall amount to 30 percent of the salary each year. Pension to other senior executives shall follow the ITP plan.

Severance payment:

Upon termination by the Company, severance pay shall be paid to senior executives with an amount corresponding to a maximum of 24 months’ salary, including base salary during the notice period.

Incentive programs:

Resolutions on share and share-price related incentive programs for senior executives should be resolved by the general meeting. Share and share-price related incentive programs should be designed with the aim of achieving greater community of interest between the participating senior executive and the Company’s shareholders. Programs that involve the acquisition of shares shall be designed so that one’s own shareholding in the Company is promoted. The vesting period, or the time from the conclusion of the contract until the shares may be acquired, shall not be less than three years. Directors, who are not employed by the Company, shall not participate in programs aimed at management or other employees. Stock options shall not be included in programs directed to the board of directors.

Work carried out by a director in addition to the board work:

The members of the board of directors may in special cases be remunerated for services carried out within their specific area of expertise, which do not constitute board work. For such services, market compensation shall be paid, which is subject to approval by the board and to information at the annual general meeting.

The total amount of remuneration granted or to be granted directly or indirectly by the Company to the senior executives is fully described in the consolidated financial accounts of the Company, as disclosed in its annual accounts for 2019 which is available at the Company’s website, www.crownenergy.se.

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