

Adevinta

Adevinta Remuneration Policy 2023



Introduction

This remuneration policy (the “Policy”) was approved by the Adevinta ASA board of directors (the “Board”) on 8 June 2023.

This Policy describes the different components of the Adevinta ASA (“Adevinta” or the “Company”) remuneration for its leading people, defined as the Executive Management Team (“Executives” or the “Executive team” or “AdEx”). This Policy has been prepared with reference to the provisions in the Norwegian Public Limited Liability Companies Act (Section § 6-16 a) including ancillary regulations.

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The Policy is designed to support the Company's business strategy and to promote long-term interests and financial sustainability. Remuneration is one of the key instruments for the Company to align its interests and those of its leading people and therefore it is important that the Policy is to be determined in an appropriate manner by competent bodies within the Company, proposed by the Board after consultation with the Remuneration Committee and with approval by the Company's shareholders.

The regulatory parameters for executive remuneration at Adevinta are governed by the Norwegian Public Limited Liability Companies Act and ancillary regulations, which requires:

1. Shareholder approval of the Policy

The Board must prepare the Policy for salary and other remuneration for the Executive team which shall be presented to and approved by shareholders in a general meeting. The Policy presented to and approved by shareholders in a general meeting upon a material amendment at least every 4 years.

2. Report to shareholders on Executives' remuneration paid

The Board must provide an annual remuneration report with an overview of the Executive team remuneration (the "Remuneration Report") and present this to shareholders for an advisory vote at the general meeting. This enables shareholders to review how the Board has implemented and adhered to the approved Policy.

There is no legal limitation on the level of remuneration that can be granted to the executive officers – either in respect of share-based compensation or otherwise – provided that it falls within the approved Policy and general corporate limits.

The Policy has previously been approved by shareholders, most recently at the Annual General Meeting in 2022.

This Policy considers the following context of Adevinta's business and the external market of talent competition:

- Adevinta is a global classifieds specialist with market-leading positions in key European markets, Canada and Brazil.
- Adevinta's business model is moving from decentralised and predominantly brand driven to a central and vertical oriented operating model which requires a review of the organisational setup, ensuring we have the right talent in place to drive the transformation of the business accordingly.
- As Adevinta's business is evolving to follow a transactional model and to strengthen further the new verticalized business approach Adevinta continues to go through significant mergers, acquisitions, demergers and business review activities. Key divestitures have been the sales of the South African, Mexican and Australian businesses in 2022 with Hungary under review for 2023.
- Competition for talent increased and faces evolving challenges given continued recent global phenomena, such as the pandemic, increased remote and hybrid working & geo political issues.

Principles for Determination of Salary and Other Remuneration

The Board shall seek to ensure that the remuneration packages of the Executive team are appropriate, well balanced, and competitive in order to attract, retain and motivate key talent which is crucial to the business.

A competitive base salary forms the basis of the remuneration package (along with benefits and pension, where applicable). Individuals may also participate in short-term and long-term incentive schemes for which payments are subject to performance, aligning and motivating participants to drive business performance and value creation for shareholders and the Adevinta group as a whole. The remuneration of executives is regularly assessed taking into account, inter alia, market positioning, the scope and responsibilities of the role and performance in the role.

The Board has adopted the following principles when approaching executive remuneration. These principles are taken into account when setting executive remuneration to ensure alignment with Adevinta's values and culture overall.

These principles apply consistently across the organisation and so the pay and employment conditions of all employees of the Adevinta group were taken into account when establishing the Policy. For example, the Adevinta Variable Incentive does not use individual performance, but instead focuses on the group's culture to win together, for the Executive team as well as all other eligible employees.

Performance Driven

Incentive arrangements are intended to be designed to drive organisational short and long-term sustainable performance, ensuring that the interests of executives are closely aligned with the interest and success of shareholders.

Highly Competitive

Reward levels are intended to be highly competitive on a total remuneration basis in order to attract and retain top talent in a diverse global marketplace.

Fair and Equitable

Remuneration structures are intended to be sensitive to talent environment(s) in a diverse global marketplace. A consistent approach will be taken to remuneration internationally to ensure fair and equitable reward decisions across all countries, levels and job families within Adevinta, albeit that local custom and practice will be considered to ensure that reward practice remains relevant in each country or (where applicable) legal entity.

Simple and Measurable

We want to ensure that rewards products and policies are understood (and appreciated) by each employee and therefore can have the maximum impact on employees' experience. They are intended to be simple to explain, to administer, simple to run as processes, intuitive in application and easily measured.

Consistent

We strive for employees and line managers to have the same employee experience across Adevinta independent of their locations or legal entities. Where rewards structures vary across geographies, policies and processes shall be aligned where possible. By "thinking global" with each product that we newly create or modify as well as co-creating at a local level with the business, we ensure that programs can be efficiently managed across all Adevinta countries but stay relevant and compliant with local legislation.

Continuously evolving

In line with Adevinta's DNA is to continuously evolve, we want to ensure that our products stay relevant to the strategic business needs and market developments of Adevinta. Products and tools need to be designed in a way that allows for continuous review and enhancement.

Digital

To cater for and enable a fast moving and agile way of working within Adevinta, we strive to digitalize all rewards products and processes. This allows all Adevintans to be informed at all times about their compensation packages autonomously and to enable line managers to make autonomous and relevant decisions aligned with the business requirements.

Remuneration of Executives

The following items comprise the remuneration of the Executive team and detail the remuneration elements and their respective purposes, the operation of managing them and the maximum opportunities for each.

1. Base Salary (Fixed Component)

Purpose

The foundation of the remuneration package shall reflect the individual's role, responsibilities, skills and impact on organisational success. A competitive base salary allows us to attract, retain and motivate high-calibre executives with the skills to achieve our key targets while managing costs wisely.

Operation

Base salaries are typically reviewed annually and set in January for the management team and latest by April for the rest of the organisation each year, although the Board may undertake an out-of-cycle review if it determines this to be appropriate.

When reviewing base salaries, the Board typically takes the following into account:

- The level of skill, experience and scope of responsibilities, individual and business performance, economic climate and market conditions.
- The upper quartile market pay in the context of companies of a similar size, complexity and (where relevant) industry to Adevinta.
- Ability to competitively attract and retain top talent in each local market.
- General base salary movements across the Adevinta group.

Maximum Opportunity

When determining salary, the Board will consider the factors outlined in the above 'Operation' section as well as the so called Compensation Pay Ranges (CPRs) that have been established in 2023 going forward for Executives. This enables a solid and tangible comparison with the market and amongst the peers using the 'compensation ratio'. This ratio compares the individual with the external market or CPR but can also be used to compare individual positionings against each other.

2. Adevinta Variable Incentive (AVI)

Purpose

The Executive team participates in the AVI. This is a cash-based incentive plan that is designed to drive organisational performance over a one-year period coinciding with Adevinta's financial year.

The plan is to incentivize the short-term (annual) performance of the Company by tying results to payouts for its leaders and all other eligible employees. Personal performance is not considered for the plan, in order to reflect the culture of winning together and losing together.

Operation

Payouts are based on the achievement of financial and strategic objectives which are set by the Board at the start of the financial year. The performance period is the same as the financial year.

The AVI 2023 plan has been designed as an interim plan to ease the transition towards our new operating model while working towards our long-term plan (LTP). A new AVI plan will be detailed in the Remuneration Policy 2024 in alignment with our verticalized organisation.

In the AVI 2023 plan, financial objectives make up 70% of the performance criteria for AdEx using key performance indicators of revenue and EBITDA. There is a focus to drive overall performance for the Company via group EBITDA and group revenue results.

In the AVI 2023 interim plan all employees and leaders, including the CEO and the AdEx have been attributed 35% group revenue and 35% group EBITDA. No local marketplaces performance is taken into account to foster a truly global mindset and to ensure the new verticalized cross-country/ cross-brand approach is embraced and supported by all.

These targets are set at the beginning of the year, and approved by the Board alongside the financial budget. Results are measured at the end of the year and approved by the Board.

Strategic objectives account for the other 30% of the performance criteria. These targets will consider the Group's business strategy, long-term interests and sustainability, the short-term strategic needs of a function, marketplace (only Canada and Hungary), and the interaction of targets across the AdEx. These targets can include operational measures of the business, measures on people and talent and measures on environment, social and governance initiatives.

A **financial underpin** is applied to the plan overall, by which the group EBITDA and group revenue need to reach a minimum threshold for any incentive to be payable to anyone eligible. This is to ensure results are achieved for the group and that individual marketplace success cannot come at the expense of the group.

Payouts and weightings are as follows:

(as % of target)	Weight	Performance	Payout
		< 90%	0%
		90%	50%
Financial	70%	100%	100%
		112.5%	150%
		> 112.5%	150%
Strategic	30%	< 80%	0%
		80 – 100%	80 – 100%
		> 100%	100%
Group Underpin		80% achievement of Adevinata EBITDA & Revenue targets.	

For information on the ability of the Company to reclaim this award, see the section on Variable Remuneration Clawback.

Maximum Opportunity

The maximum payout shall be 135% against target. The target/maximum AVI opportunity for the AdEx are as follows:

- CEO: 65% target/maximum 87.75% of salary.
- Other Executive team members: 50% target/maximum 67.5% of salary.

3. Pension

Purpose

To support the Executive team in their retirement planning and to follow local results on pension, social security and taxation. This also ensures Adevinata's executive packages remain competitive to be able to attract and retain talent to drive the long-term strategy of the business.

Operation

The Executive team may be eligible to participate in a defined contribution pension scheme or alternatively may receive cash in lieu of pension. Contributions to defined contribution schemes or cash in lieu of pension are linked to base salary only.

- In April 2022 the Chief Financial Officer started receiving a monthly cash payment in lieu for her pension scheme (equivalent to 15% of her salary) in replacement of a previous annual cash payment in lieu made in April each year.
- The cash payments and any accrued and vested pensions remain for the individuals upon termination.
- Other members of the Executive team do not currently receive pension contributions other than any applicable state pension contributions or local employees'/ executives' complementary pension plan in the applicable country. Any pension arrangements will be viewed in connection with the overall salary and employment conditions, and will be aligned with market practice in the relevant country. Local rules governing pension entitlement, social security entitlement and taxation are taken into account when designing individual pension plans.

4. Other Benefits

Purpose

The Executive team shall also receive other benefits in kind in line with Adevinata's global and local practices for employees.

Operation

The Executive team is entitled to similar group insurances, supplementary healthcare and other benefits in kind offered to all employees of the same level in their jurisdiction.

Furthermore local legacy schemes for company cars or car allowances (incl. parking, fuel, maintenance) existing in Spain and France are applicable to executives in those locations and will be reviewed within the harmonisation journey.

Share Based Programs of Executives

The following items comprise the share based remuneration programs of the Executive team and detail the remuneration element and its purpose, the operation of managing it and the maximum opportunity.

The maximum number of shares vesting from Adevinta's equity-based incentive plans will not exceed 1% of the issued share capital per annum on the average over a rolling 3 year period (commensurate with the vesting term of our equity-based incentive schemes). For the avoidance of doubt, this will exclude awards which lapse where performance conditions have not been met and/or where the participants have left employment with Adevinta.

1. Long-term Incentive Plans

Purpose

These annually granted share based plans are to aid in the retention of the Executives and by aligning the financial sustainability and long-term interests of participants to those of the Company and its shareholders. The plan is to motivate and incentivise participants to deliver sustained business performance over the long term. Each member of the Executive team is eligible to receive an annual grant.

Operation

Awards will be governed by a set of plan rules, approved by the Board, which shall ensure fair and consistent governance of the plans. Awards over Adevinta shares may be granted each year in the form of performance stock units (which vest subject to the achievement of performance conditions), restricted stock units (which vest subject to continued employment), or a mixture of the two.

For **performance stock** units the proportion of the award which vest will depend upon the achievement of performance measures. The performance measures are determined and agreed upon with the Board at the time of the grant and measured over the performance period, usually 3 years. The measures can change upon a change to this Policy and approval by shareholders. The performance measure is fully weighted on total shareholder return ("TSR") compared to a peer group as follows:

- Below median performance – 0% of the award vests
- Median performance – 25% of the award vests
- Between median and upper quartile performance – straight line vesting between 25% and 100% of the award
- Upper quartile performance – 100% of the award vests

The peer group used is the companies in the STOXX Europe 600 index with a market capitalization of half to double that of Adevinta 30 days prior to the end of the calendar year.

For restricted stock units, the awards shall usually vest in equal instalments every 6 months over a 3 year period. These plans require an employee to be in active service only at the time of the vest.

Maximum Opportunity

Under these plans a total annual award is granted that is equivalent to a percentage of their base salary at the time of granting, subject to the limits as follows:

- CEO: maximum of 300% of base salary
- Other Adevinta Executive team: maximum of 175% to 300% of base salary
- Senior employees (Adevinta Leadership Community (ALC)) : 75% to 175% of base salary

2. Adevinta Share Purchase Plan

Purpose

All employees (except temporary staff and employees in joint – ventures) of the Adevinta group, including the Executive team, are eligible to participate in the share purchase plan that is intended to motivate and retain employees with the opportunity to acquire an ownership interest in Adevinta through the purchase of shares of Adevinta stock and matching shares. This aligns employee interest to the long-term interests and financial sustainability of the Company.

Operation

Shares are normally purchased quarterly on behalf of employees via a payroll deduction. The Company will match the purchased shares at the end of a two-year holding period, provided the employee is still employed by Adevinta and in ownership of the purchased shares.

Maximum Opportunity

The maximum contribution any employee may make each month is NOK 6,000 (converted into local currency) or an amount equal to 5% of gross salary, if lower.

3. Growth/Special Award

Purpose

The Growth Award and Special Award grant participants an award of Adevinta shares which vest subject to continued employment and the achievement of performance conditions over a period of 3 years (2023 – 2025) to drive future performance and delivery of the business strategy.



It is a one-off award during the transformative period for the Company, which will require significant discretionary effort from executives, and as well, support executive attraction and retention in an extremely competitive talent market. These challenges are being addressed through the award where in delivering significant growth on specific strategic long-term plan financial growth targets recipients are to be rewarded with significant long-term incentive payouts.

Operation

These two long-term one-off incentive plans have been granted once to key leaders, including the Executive team members and shall vest after a period of 3 years, and be delivered in Adevinata shares. The award shall be performance based where the amount of shares that vest for each individual will depend on the determined and agreed upon targets from the Board as connected to the long-term financial plan (LTP 2025 targets) and strategy, at the time of the grant. Members have Adevinata group targets and targets for the respective verticals for the vertical leads. The underpin for the Growth Award is to be consistent with the threshold performance level for the 2023 Performance Share Plan (PSP) awards. This means that the Growth Award will not vest (regardless of EBITDA or revenue performance) if Adevinata's TSR performance does not exceed the median of the subset of the STOXX Europe 600 Index. There will be no "good leaver" provisions for this award.

The following **design principles** have been used:

- Full openness and transparency for all award members to each others performance measures and targets;
- Alignment towards common goals in the performance measures and targets;
- Each AdEx member must be able to influence their own award as much as possible;
- Simple and straightforward;
- Well defined measures/specific/quantitative/robustness of numbers;
- Some insulation to further changes to the executive structure in the next 3 years

The **Performance Measures** are:

- 50% Group EBITDA less CAPEX (all participants)
- 50% verticalized revenue growth (for vertical leaders) across the 5 core markets*
- 50% group vertical revenue growth across the 5 core markets (for functional leaders)
- Targets to be based on the long-term plan per December 2022
- The performance period will end no earlier than December 2025.

Maximum Opportunity

The maximum opportunity for these 2 one-off awards will be determined as a pool of EUR 40 million that can cover up to 16 key roles (predefined) in Growth Award and additional 9 roles in Special Award and will be granted as performance share units of the Company.

- For Growth Award: Payouts for achieving the target goals would be half the maximum amounts. Payout for achieving the threshold goals would be a quarter of the maximum amounts. No payout would be given for achievements below the threshold goals.
- For Special Award: Payouts for achieving the target goals is 100% of the target amount (corresponding to the maximum payout of the plan). Payout for achieving the threshold goals is 50% of the target amounts. No payout would be given for achievements below the threshold goals.

*Vertical revenue growth numbers will be agreed by the board in summer 2023. For the first period of the plan the board will agree global targets applicable. On this basis the maximum of the plan will only pay out at the end of the plan.

Mandatory Shareholding Requirements

The Executive team is subject to the following shareholding requirements that are to be met within 5 years from attaining the executive position:

CEO

300%

of base salary

Other executive team members

200%

of base salary

Variable Remuneration Clawback

The share-based award plans include malus and clawback provisions (to the extent permitted by mandatory law) which permit Adevinta to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company in the following circumstances:

- Discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts or the audited accounts of any group member;
- Action or conduct of a participant which, in the reasonable opinion of the Board, amounts to employee misbehaviour, fraud or gross misconduct;
- Agreements entered into with employees under previous plans (including those which transferred to Adevinta as part of the demerger process from Schibsted) will continue.

Remuneration on Recruitment

The Board shall apply the components set out in sections 3 and 4 of this Policy to determine the remuneration of newly appointed Executives. Base salary will be set at a level appropriate to the role and the experience of the individual being appointed. Where this is below the market level, it will be adjusted over time to align with the market level, subject to good performance. The incentive provision for a new Executive team member shall be in line with sections 3 and 4 of the Policy, including an AVI and long term incentive awards. It may also be determined appropriate to honour prevailing contract commitments for an individual in the event they are promoted to an Executive team position.

In relation to appointees from outside the Adevinta group, where it is considered to be necessary to secure the appointment of the individual, the Board may authorise the grant one-off extraordinary awards, including sign-on and buyout awards as compensation for loss of benefits on resignation from a previous employer, such as loss of bonus and/or long-term share incentives. Buy-out awards

consider the value that is forfeited from the previous employer, looking to mirror it as closely as possible, considering approximate performance conditions and vesting.

Such awards will be determined by the Board and will be disclosed in the Company's annual Remuneration Report. However, in the case of an award to buyout awards forfeited from a previous employer on joining Adevinta, the value of the awards shall normally mirror the value of awards forfeited as closely as possible, taking into account any performance conditions applicable to the award.

The Board may also make appropriate relocation payments in circumstances where the individual is required to relocate for the purpose of the role. Any such payments will be determined by the Board and will be disclosed in the Company's annual Remuneration Report.



Treatment of Pay on Termination

Notice periods for Executive team members are necessary to maintain business continuity and long-term stability in the business. The following notice periods will apply:

CEO, up to a

12 months

notice period

Other executive team members

6 months

notice period

Severance payments shall be determined on an individual basis at need based, taking into consideration local statutory and market requirements among other things. These arrangements shall be detailed annually in the Remuneration Report.

Leaver Rules, Clawback and Penalties

Adevinta's variable pay plans (cash and share-based awards) are governed by a set of plan rules, approved by the Board, which shall ensure fair and consistent governance of the plans. The rules include change of control and "good leaver"/"bad leaver" provisions.

- The plans shall also include malus and clawback provisions which permit Adevinta to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company in the following circumstances:
- Discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts or the audited accounts of any Adevinta group member;
- Action or conduct of a participant which, in the reasonable opinion of the Board, amounts to employee misbehaviour, fraud or gross misconduct;
- Agreements entered into with employees under previous plans (including those which transferred to Adevinta as part of the demerger process from Schibsted) will continue.

Deviations to the Remuneration Policy

The Board may in special, temporary circumstances deviate from all or parts of this Policy, if such deviation is deemed necessary to serve and/or safeguard the long-term interests and sustainability of the Company as a whole or assure its viability, including related to special events including divestments and acquisitions and resulting business transformations as well as for reasons concerning the competitive external talent market and remuneration practices.

Any such deviation must be discussed in the Remuneration Committee who shall provide a substantiated recommendation to the Board. Any deviation from this Policy or a change to any strategic remuneration component will be described and explained in the Remuneration Report.

Review, Approval and Publication

The Board, with support from the Remuneration Committee, is responsible for compliance with this Policy and for completing an annual review of this Policy. Accordingly, the Board must keep within the current Policy when determining salary and other remuneration to its executives, unless and until such time as a new Policy has been approved by the Adevinta shareholders.

The general meeting shall consider and approve this Policy in the event of any significant change and at least every four years. The guidelines are binding on the Company. Both the Policy and the result of the general meeting's voting shall be available on the Company's website.

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