

## **APPROVAL OF GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES**

The board of directors of Metro proposes the following guidelines for determining remuneration for senior executives, to be approved by the AGM.

The objectives of the remuneration guidelines are to offer competitive remuneration packages to attract, motivate, and retain key employees, within the context of the international peer group. The aim is to create an incentive for the management to execute the strategic plan and deliver excellent operating results, and moreover, to align management's incentives with the interests of the shareholders. The proposed guidelines concerns senior executives including the CEO and members of the Executive Management Committee ("Senior Executives"). At present Metro has six Senior Executives.

Remuneration to the Senior Executives should consist of a combination of an annual base salary, a variable salary, pension, long-term incentive programmes and other customary benefits. These components shall create a well balanced remuneration which reflects individual performance and which offers a competitive remuneration package adjusted to conditions on the market.

The annual base salary is revised yearly and based on the executive's competence and area of responsibility.

The variable salary shall be based on the performance in relation to established objectives. The objectives are connected to Metro's result and mainly the individual performance. The variable salary can amount to a maximum of 90 percent of the annual base salary.

Other benefits shall only constitute of a limited amount in relation to the total remuneration and shall correspond to local practice.

The Senior Executives are offered premium based pension plans. The Senior Executives shall be entitled to pension commitments based on those that are customary in the country in which they are employed. Pension commitments will be secured through premiums paid to insurance companies.

The period of notice of termination of employment shall be a maximum of 12 months in the event of termination by the executive. In the event of notice of termination of employment being served by Metro, there is entitlement to salary during a notice period of a maximum of 18 months. Salary during the notice period is calculated against salary received from a potential new employment.

In special circumstances, the board of directors of Metro may deviate from the above guidelines. In such a case the board of directors of Metro is obligated to give account for the reason for the deviation on the following AGM.