

## **Guidelines for remuneration to senior executives**

The guidelines shall cover members of the board of directors, the CEO and other members of the senior management in accordance with 9.9 of the Swedish Corporate Governance Code. The guidelines shall apply to remuneration agreed, and to changes made to remuneration already agreed, after the guidelines have been adopted by the Annual General Meeting on May 14, 2024. The guidelines do not apply to remuneration decided by the general meeting.

The board of directors shall have the right to decide to deviate temporarily, in whole or in part, from the guidelines if there are special reasons for doing so in an individual case and a deviation is necessary to meet the long-term interests and sustainability of the company or to ensure the financial viability of the company. Any such deviation shall be disclosed in the remuneration report to the next Annual General Meeting. The guidelines shall apply until further notice, but at the latest until the Annual General Meeting in 2028.

### *Guidelines that promote the company's business strategy, long-term interests, and sustainability*

Yubico's strategy is available at the company's website, <https://investors.yubico.com/en/>. A successful implementation of the company's strategy and the safeguarding of the company's long-term interests, including its sustainability and gender equality, requires that the company can recruit and retain qualified employees. This applies in particular with regard to the fact that the company has a significant part of its operations in the US. The company shall therefore apply market based and competitive remuneration levels and terms of employment in order to be able to recruit and retain a management team with high competence and a capacity to achieve set goals. The types of remuneration shall motivate senior executives to do their utmost to safeguard the shareholders' interests. They should also be simple, long-term and measurable.

### *Types of remuneration etc.*

The remuneration and other terms of employment to senior executives shall be in line with market conditions. The total remuneration may consist of basic salary, variable remuneration, pensions and various other benefits.

### Fixed basic salary

The fixed salary for senior executives shall be in line with market practice and based on competence, responsibility and performance.

### Variable remuneration

Variable remuneration may be paid to senior executives where the board considers that it encourages the right behaviors and does not jeopardize long-term value creation. The variable remuneration should reward target-related performance. An outcome shall be related to the fulfilment of the company's financial targets and other measurable targets that support long-term shareholder value. The targets set out should mainly be common to senior executives but may also relate to individual performance to a limited extent. The measurement period for variable remuneration shall, as a rule, be based on performance over a period of approximately twelve months. Variable remuneration to the CEO may amount to up to 100 percent of the fixed basic salary and may, for other senior executives, amount to up to 50 percent of the fixed basic salary and shall in both cases be non-pensionable. Nevertheless, variable remuneration may, as an exception on an individual basis, amount to up to 100 percent of the fixed basic salary in relation to senior executives other than the CEO whose remuneration is to a

significant extent commission-based or where this is deemed necessary with regards to local market practice and the responsibilities and tasks of the senior executive.

#### Share or share price related incentive programs

The general meeting shall, regardless of the guidelines, be able to decide on share and share price related incentive programs for senior executives. An incentive program shall aim to improve the participants' commitment to the company's development and be implemented on market terms. Information regarding the company's outstanding share and share price related incentive programs is available at the company's website <https://investors.yubico.com/en/>.

#### Pension and other benefits

The terms and conditions of senior executives' pensions must be based on defined contribution pension solutions.

The non-monetary benefits of senior executives must facilitate the work performance of senior executives and correspond to what can be considered reasonable in relation to market practice in the market where each senior executive is active. Premiums and other costs related to such benefits may in total amount to a maximum of ten percent of the fixed annual cash salary.

#### *Notice period and severance pay*

Upon termination of the employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not, in aggregate, exceed an amount corresponding to the fixed cash salary for eighteen months for the CEO and twelve months for other senior executives. In the event of termination by the executive the notice period may not exceed six months with no right to severance pay.

#### *Salary and conditions of employment*

In the preparation of the board of directors' proposal for these guidelines for remuneration, the salary and conditions of employment for the company's employees have been taken into account by including information on the employees' total remuneration, the components of the remuneration and the increase pace of the remuneration over time as part of the remuneration committee's and the board of directors' basis for resolution when evaluating the reasonableness of the guidelines and the limitations resulting from them.

#### *Remuneration to the board, in addition to board fees decided by the general meeting*

Members of the board elected by the general meeting shall in special cases be able to receive fees and other compensation for work performed on behalf of the company, alongside the work of the board. Remuneration in line with market conditions shall be able to be paid for such services, subject to approval by the board. These guidelines shall be applied on such remuneration.

#### *The decision process*

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for remuneration to senior executives as well as any deviation from the guidelines. The board shall prepare a proposal for new guidelines at least every fourth year and present the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to the executive management, the application

of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent from the company and its executive management. In the board's work regarding remuneration related matters, the CEO or other members of the executive management are not present in so far the questions concern their own remuneration.

*Description of changes to the guidelines etc.*

The board has not received any comments from shareholders on the existing guidelines for remuneration to senior executives. The board has made a general review of the guidelines and the board's proposal for guidelines for remuneration to senior executives largely corresponds to the existing guidelines. The updated guidelines include a possibility for variable remuneration to senior executives other than the CEO of up to 100 percent of the fixed basic salary in certain cases.