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## **The Board of Directors' proposal for guidelines for salaries and other remuneration to senior management**

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The Board of Directors proposes that the general meeting adopt guidelines for salaries and other remuneration to senior management. The CEO and other corporate management within the Clavister Holding AB and the CEO and other corporate management within the group's subsidiaries fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting including fees for board work resolved by the general meeting.

### **The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

A prerequisite for the successful implementation of the Clavister group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the group can recruit and retain qualified management. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration and employment terms.

For senior management, building up one's own shareholdings in Clavister Holding AB should be promoted. Share related incentive programs shall be resolved by the Annual General Meeting in Clavister Holding AB and the performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. The plans shall be conditional upon the participant's own investment and holding periods of several years.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

### **Types of remuneration, etc**

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 50 per cent of the total remuneration and is neither a pensionable income nor a basis for holiday pay.

**Criteria for awarding variable cash remuneration, etc.**

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. Chairman of the board is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

**Remuneration to board directors**

Board directors elected by the general meeting may in certain situations receive remuneration or other compensation for work performed for the company in addition to the director's responsibilities as a director. Any such services may be compensated with remuneration in line with market practice that must be approved by the board of directors.

**Pension benefits**

Clavister Holding and its subsidiaries have a pension policy "Premium" adopted by the board of directors. The pension terms and conditions of senior management must be on market terms in relation to what generally applies to corresponding positions on the market and individually adapted taking into consideration each manager's specific expertise and adapted to the Group's costs. Pension allocations must be to defined contribution plans.

**Other benefits**

Other benefits for senior management may consist of health insurance and other customary benefits. Other benefits may not constitute a significant part of the total remuneration.

**Termination of employment**

The notice period may not exceed twelve (12) months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for twenty-four (24) months, and twelve (12) months for other executives. The period of notice may not to exceed six (6) months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than six (6) months following termination of employment.

**Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and

growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **The decision-making process to determine, review and implement the guidelines**

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **Derogation from the guidelines**

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **Information regarding previously adopted remuneration programs which have not yet become payable**

The company has three ongoing incentive programs for the company's employees.

Program 2017/2020:3, covers 300,000 warrants with an exercise price of SEK 30, expiring on June 30, 2020.

Program 2018/2021:1, covers 50,000 warrants with an exercise price of SEK 36.3, expiring on June 13, 2021.

Program 2018/2021:2, covers 700,000 warrants with an exercise price of SEK 36.3, expiring on June 13, 2021.

### **Information on derogations from the remuneration guidelines resolved by the annual general meeting 2019**

The Remuneration Committee considers that the Company has complied with its guidelines for remuneration payable to senior executives that were adopted at the 2019 AGM. The Company's remuneration structures and levels are in line with market practice and appropriate.

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Örnsköldsvik in April 2020  
**Clavister Holding AB (publ)**  
*Board of Directors*