

**Proposal by the Board of Directors of Nobia AB (publ), reg. no. 556528-2752, regarding remuneration guidelines and other employment terms for senior executives**

The Board of Directors proposes that the Annual General Meeting resolves on remuneration guidelines and other employment terms for senior executives as follows:

The remuneration guidelines cover total remuneration for the President and other senior executives. After the Annual General Meeting 2021 has resolved on the guidelines, the guidelines are to be applied on remuneration agreed and changes to already agreed remuneration. The guidelines do not cover remuneration decided by Annual General Meeting.

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

The purpose of the guidelines is to provide a structure that adapts the remuneration to the company's strategy, long-term objectives and sustainability. Nobia's value creating strategy consist of three central components:

- Focus on profitable growth
- Increasing efficiency
- Long-term value creation through continuous sustainability efforts

The company's strategy prerequisites that Nobia can continue to attract, motivate and retain key employees within the Group. The guidelines must therefore enable appropriate and competitive remuneration to senior executives.

<b>Form of remuneration</b>	<b>Connection to the company's business strategy</b>	<b>Execution</b>	<b>Possibility/evaluation</b>
Fixed cash salary	The fixed cash salary reflects the individual's role, experience and contribution to the company. The levels for fixed cash salary aim to contribute to recruitment and enable long-term retention of senior executives.	Evaluated yearly. Adjustments during the year can be made if the role changes.	Adjusted to the market levels for the role and country of business. Levels are adapted after evaluation of the individual's performance.
Variable cash salary	To promote goal achievement or over achievement of the company's pre-determined financial and non-financial criteria's such as profitability- and cash flow revenue and important operative, strategic or other sustainability related measures.	At the end of the vesting period (at least 12 months), the Remuneration Committee evaluates to what extent the criterions for payment of variable cash salary has been met.	Fulfilment of criterions for defined goals.

Pension and other benefits	Benefits for senior executives is part of the ability to offer a competitive total remuneration, in order to facilitate recruitment and retention of the company's senior executives.	Is offered during the time of employment and is subject to review dependent on factors such as age, level of fixed cash salary and role.	Based on market practice and market levels for the role in question and the country of business.
----------------------------	---	--	--

#### **Sustainability measures connected to the company's business strategy**

Nobia's sustainability efforts are evaluated and rated continuously by amongst others investors, analysts and civil society participants. Hence, the company's methods and results are reviewed and compared. As a result, the company's sustainability efforts can be continuously developed in line with the demands of its stakeholders demands. The sustainability efforts are an integrated part of Nobia's business that can strengthen Nobia's brand and contribute to an increase of value of Nobia's shares.

### **Decision-making process for determination, review and execution of the guidelines**

The Board of Directors has established a Remuneration Committee consisting of two members from the Board of Directors, appointed by the Annual General Meeting. The Committee's task is, inter alia, to prepare proposals to the Board of Directors relating to the remuneration for senior executives. The Board of Directors shall prepare proposals for new remuneration guidelines if material changes are needed or at least every fourth year and present the guidelines for the General Meeting to resolve upon. These guidelines are to be applicable from the time of the General Meeting's approval of them, until new guidelines have been resolved (and four years at most). The Remuneration Committee may seek approval of new guidelines at an earlier point in time if circumstances affecting the purpose of the guidelines arise.

The Remuneration Committee shall also follow-up and evaluate programs for variable remuneration to senior executives, the application of the remuneration guidelines and current remuneration structures and levels in Nobia. The Remuneration Committee's members are independent in relation to the company and the Group Management.

### **Taking into account salary and employment terms for employees**

In the Remuneration Committee's preparation of the Board of Directors proposal for remuneration guidelines data on the employees total remuneration, the components of the remuneration and the increase of remuneration as well as growth rate over time has been considered as part of the Remuneration Committee and the Board of Directors basis for decision when preparing and evaluating the appropriateness of the guidelines and the limitations they impose. Trends on the gap between the remuneration for the President and the remuneration for other employees is to be disclosed in the yearly remuneration report.

### **Forms of remuneration**

The remuneration shall be at market level and consist of the following components:

- Fixed cash salary
- Variable cash salary
- Pension benefits
- Other benefits

The General Meeting can in addition to that – and independent of the remuneration guidelines – decide on, for example, share- and share price related remuneration.

### **Fixed cash salary**

Remuneration should be based on the executive's scope of responsibility, experience and performance. The fixed cash salary is to be reviewed annually to ensure salary is aligned to market and competitive.

### **Variable cash salary**

The variable cash salary shall be connected to pre-determined and measurable criteria's that can be financial or non-financial. The criteria's can vary from year to year to reflect business priorities and usually includes a balance between the Groups financial performance (for example profitability and cash flow) and non-financial performance criteria's (for example important strategic, or other sustainability related measures). By this way of applying pre-determined financial and non-financial performance measures that reflect Nobia's business priorities, Nobia considers the possibility of attracting, motivating and retaining key employees to be improved, which contributes to Nobia's business strategy, long-term interests and sustainability.

When the vesting period for fulfilment of the criterions for payment of variable cash salary is closed an assessment is to be made as to what degree the criteria's have been met. The Remuneration Committee is responsible for such an assessment with regards to variable cash salary to the attributable to the President and other senior executives. At the annual assessment, the Remuneration Committee may adjust the targets and/or the remuneration based on extraordinary events, re-organisations or structural changes. Fulfillment of criteria's for payment of variable cash salary shall be measurable during a vesting period of at least 12 months, measurement period for each criterion may be annual or divided by quarter.

The variable cash salary for the President and other senior executives may amount to a maximum of 65 per cent of the fixed annual cash salary. Before any payout, the Board of Directors will assess if potential payout is reasonable, from the perspective of the financial result for Nobia. Nobia reserves the right to reclaim any variable remuneration paid out based on incorrect data and assumptions.

### **Pension benefits**

The President and other senior executives employed in Sweden are entitled to pensions under the ITP system or equivalent. In addition to the ITP system, senior executives in Sweden may be entitled to, after resolution by the Board, an expanded premium based pension right on salary portions exceeding 30 base amounts. Furthermore, the current President has a pension premium

including health insurance of 30 percent of a fixed yearly salary. Senior executives' pension benefits shall not exceed 35 percent of the annual fixed salary.

### **Other benefits**

Other benefits can include, inter alia, life insurance, health insurance and company car. For the President and other senior executives, other benefits cannot exceed 10 percent of the fixed cash salary. The President and other senior executives are further entitled to benefits that can be offered to other employees at any given moment.

Additional benefits and additions can be offered under certain circumstances, e.g. in case of re-allocation or in connection with international assignments, in which case benefits and remuneration is determined according to local conditions.

With regard to employment conditions governed by other rules than Swedish, as far as pension benefits and other benefits are concerned, appropriate adjustments may be carried out to comply with compulsory rules or local practice, whereupon the guidelines overall purposes are to be satisfied to the extent possible.

### **Termination of employment**

In case of termination by the company, the termination notice period shall not exceed 12 months. Fixed cash salary during the termination notice period and termination consideration combined shall not exceed an amount equivalent to the yearly fixed cash salary for the President and other senior executives. In case of termination by the employee, the notice termination period may amount to a maximum of six months, without right to termination consideration. The President and other senior executives may have a right to accrued variable cash salary, however not for a period exceeding the period of the employment.

### **Information on share-related incentive schemes**

Nobia has established long-term share-related incentive schemes. The programs which include, inter alia, senior executives and other individuals with management positions, has been decided by the General Meeting and is therefore not within the scope of the remuneration guidelines. The performance requirements used to determine the outcome of the schemes are clearly linked to the business strategy and thereby to Nobia's long-term value creation, including the Groups sustainability. The performance requirements consist of, for example, profitability and total returns. Further, the schemes require own investments and certain retention periods. Before deciding on the number of shares to be allocated according to the scheme, the Board of Directors shall consider whether the outcome of the long-term incentive scheme is reasonable. For information regarding the proposed long-term incentive scheme and the criteria's determining the outcome, please refer to Nobia's website where the full proposal is available.

### **Remuneration to Board of Directors**

If a member of the Board of Directors complete assignments for Nobia in addition to the tasks in scope of the responsibilities as a board member, remuneration in the form of consulting fees

shall apply. Decision about such consulting fees is made by the Remuneration Committee and shall be in line with market level for such work.

### **Deviation from the guidelines**

The Board of Directors may decide to temporary, wholly or partially, deviate from the guidelines if there are special circumstances in an individual case and deviation is necessary in order to ensure the company's financial capacity. As stated above, the Remuneration Committee is responsible for preparation of the Board of Directors decisions on remuneration matters, which includes decisions on deviation from the remuneration guidelines.

---

*The Board of Directors March 2021*