

Remuneration report

1 March 2020–28 February 2021

Introduction

The 2020 Annual General Meeting (AGM) resolved on the basis of the new rules in the Swedish Companies Act (Chapter 8, reference 53a and 53b from 2005:551 and the Swedish Corporate Governance Code) on remuneration of the Company's senior executives, to implement the guidelines adopted by the Annual General Meeting in 2020/2021. These guidelines apply to remuneration of senior executives of the Company and the Company's Board members for remuneration paid for work performed that is not included in normal Board work, for example under an employment contract or consultant agreement. Within the scope of these guidelines, senior executives comprise the Company's CEO, Deputy CEO and the managers who are periodically members of Group management. As of the date of these guidelines, senior executives consist of the Company's CEO, Managing Directors for subsidiaries, CFO, General Counsel/Chief Compliance/Head of HR (part of the year) and Director of Strategy and M&A. Furthermore, the guidelines are only applicable to remuneration agreed or renegotiated after the 2020 AGM. Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the AGM. Information and remuneration of the Board of Directors is disclosed in Note 7 on page 87 and in the Corporate Governance Report on page 114 in the 2020/2021 Annual Report.

This remuneration report is a summary of approved remuneration of senior executives during the 2020/2021 fiscal year. No changes have taken place during the year relative to the guidelines for executive remuneration resolved by the AGM.

More information regarding the year in brief, the statement from the CEO can be found on pages 3 to 7. Further information on executive remuneration is available in Note 7 (Employees and personnel costs) on pages 35–38 in the 2020/2021 Annual Report. Information on the work of the Remuneration Committee in 2020 is set out in the Corporate Governance Report available on pages 120 in the 2020/2021 Annual Report.

Purpose and basic remuneration principles

These guidelines form a framework for the remuneration of senior executives on which the Board may decide during the period covered by the guidelines. Information concerning the Company's strategic priorities is available in the Company's Annual Report and on the Company's website, www.nobina.com. The Company's remuneration principles aim to secure responsible and sustainable remuneration structures that promote the Company's business strategy, long-term interests and sustainability. To satisfy these purposes, the Company is to offer total remuneration that enables the Company to attract, develop and retain senior executives with the relevant experience and qualifications. Remuneration is to be market-based, competitive and reflect the individual senior executive's performance and responsibility. In cases where the employment relationship for an individual senior executive is governed by rules other than Swedish, appropriate adjustments must be made to comply with such rules. Appropriate adjustments may also be made to comply with established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

During 2020/2021, the company has complied with the applicable remuneration guidelines adopted by the AGM. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made.

Types of remuneration

Remuneration of senior executives may consist of fixed cash salary, variable cash remuneration, pension benefits, other benefits and any severance pay. The General Meeting may, in addition to this, also resolve on a long-term share-based incentive programme in which senior executives may participate.

Variable remuneration

Variable cash remuneration (cash bonus) is to be based on a number of pre-determined and measurable performance-related criteria that reflect driving forces that may promote the Company's business strategy, long-term interests and sustainability. The criteria are to reflect the Company's overall and financial performance as well as each individual senior executive's performance. When the measurement period has ended, an assessment is to take place of the extent to which the criteria for variable cash remuneration were met. The assessment is to be conducted and documented on an annual basis. Variable cash remuneration shall qualify for pension benefits. Variable cash remuneration may amount to not more than 60 percent of each Managing Director's and CFO's fixed cash salary and not more than 30 percent of the fixed cash salary of each other senior executive.

Criteria for variable cash remuneration for the President, CEO and Vice President*

Function	Criteria for variable remuneration	Weighting of remuneration level	Estimated and actual remuneration
President and CEO, Magnus Rosén	Net sales growth	10%	10%
	Adjusted EBT**	50%	50%
	Qualitative target	40%	40%

* Vice CEO Jan Bosaeus ended his employment on 30 September 2020 and Vice CEO Per Skärgård ended his employment on 31 December 2019 and are not covered by variable remuneration in 2020/2021.

** Adjusted EBT is earnings before taxes adjusted for amortisation of intangible assets, fair value of conditional acquisition not paid and acquisition-related income and costs.

Pension benefits

Pension benefits are to be premium defined unless the individual senior executive concerned is subject to defined benefit pension under relevant collective agreement provisions. Pension benefits shall amount to no more than 35 percent of each senior executive's fixed cash salary insofar as no higher provision is stipulated in mandatory collective agreements.

Other benefits

Other benefits are to be market-based and facilitate senior executives in their performance of their work duties. Such benefits primarily consist of company cars. Premiums and other costs related to other benefits shall amount to no more than 10 percent of each senior executive's fixed cash salary.

Severance pay

In the event of termination of employment, senior executives of Nobina (President and CEO) are entitled to not more than 18 months' compensation including salary during the notice period. As a basic principle, a six-month mutual termination period applies between Nobina and the CEO.

For other senior executives, the notice period is not more than six months. In addition, a further six months' remuneration is payable should employment be terminated by Nobina.

Remuneration paid to President (CEO) and other senior executives in SEK '000

Function	Year	Fixed cash salary	Variable remuneration (one-year)	Vested options (multi-year)	Other benefits	Severance pay items	Employment termination date	Pension benefits	Total remuneration	Proportion of fixed and variable remuneration
President and CEO, Magnus Rosén	2020/2021	5,279	3,067	5,857	103	–	–	1,778	16,084	44%/56%
Vice President, Jan Bosaeus	2020/2021	3,009	–	3,107	57	1,836	30 Sep 2020	1,864	9,873	69%/31%
Other senior executives	2020/2021	17,185	8,341	6,317	660	640	–	3,333	36,476	59%/41%
Total	2020/2021	25,473	11,408	15,281	820	2,476	–	6,975	62,433	57%/43%
President and CEO, Magnus Rosén	2019/2020	5,205	1,839	3,744	92	–	–	1,812	12,692	56%/44%
Vice President, Jan Bosaeus	2019/2020	3,728	1,349	2,605	176	–	–	457	8,315	52%/48%
Vice President, Per Skärgård	2019/2020	2,144	525	1,308	70	–	31 Dec 2019	615	4,662	60%/40%
Other senior executives	2019/2020	14,224	4,811	2,383	633	–	–	3,941	25,992	72%/28%
Total	2019/2020	25,301	8,524	10,040	971	–	–	6,825	51,661	64%/36%

Changes in remuneration and the company's results over the past five fiscal years for the President (CEO) in SEK million

Remuneration	2016/2017	2017/2018	Changes	2018/2019	Changes	2019/2020	Changes	2020/2021	Changes
Remuneration of the CEO	10.9	7.0	–3.9	11.1	+4.1	12.7	+1.6	16.1	+3.4
Group operating earnings (EBT ADJ)	356	391	+35.0	434	+43.0	464	+30.0	602	+138.0
Average remuneration based on number of full-time equivalents	0.522	0.510	–0.01	0.491	–0.01	0.523	+0.03	0.502	–0.02

Remuneration of the Board of Directors

In cases where Board members perform duties on behalf of the Company that are not part of normal Board work, market-based remuneration may be paid for such work in addition to the directors' fees resolved by the General Meeting. Remuneration received by the Company's Board members is presented in Note 7. No remuneration in addition to remuneration approved by the AGM was paid in 2020/2021.

Share saving scheme

The Company's existing share-based incentive programmes address certain key employees in the Nobina Group and are designed with the overall purpose of creating a shared interest between senior executives and the Company's shareholders by encouraging share ownership in the Company. Additional information concerning the Company's existing and proposed incentive programmes is available on the Company's website, www.nobina.com.

Governance model

These guidelines have been prepared by the Board's Remuneration Committee. The Remuneration Committee is to have a preparatory function in relation to the Board in terms of remuneration guidelines and other employment terms for senior executives. The Remuneration Committee's recommendation is used by the Board when the need arises for material changes to the guidelines, and submitted for adoption by the AGM. The AGM is to decide on such proposals. Approved guidelines may also be changed by a decision made by another General Meeting than the AGM. Within the framework of these guidelines, the Board, on the basis of the Remuneration Committee's documentation and recommendations, is to resolve each year on specific changes in remuneration conditions for each individual senior executive, and resolve on the remuneration of senior executives as required. Members of the Remuneration Committee are independent in relation to the Company and its senior executives. The CEO and other senior executives do not participate in the preparation and approval of remuneration-related matters in so far as they are affected by such matters. Derogations 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.

Share saving scheme

Function	Programme	Award date	Vesting period	End date	Number of savings shares to participate in programme	Awarded savings shares	Number of vested shares	Cost according to IFRS incl. Social costs, MSEK
President and CEO, Magnus Rosén	LTIP 2017	1 Mar 2018	28 Feb 2021	18 Feb 2021	15,034	15,034	15,034	1.0
Vice President, Jan Bosaeus	LTIP 2017	1 Mar 2018	28 Feb 2021	18 Feb 2021	10,223	8,794	8,794	0.6
Vice President, Per Skärgård	LTIP 2017	1 Mar 2018	28 Feb 2021	18 Feb 2021	7,442	4,548	4,548	0.3
President and CEO, Magnus Rosén	LTIP 2018	29 Jun 2018	30 Jun 2021	30 Jun 2021	15,425	0	95,978	5.8
Vice President, Jan Bosaeus	LTIP 2018	29 Jun 2018	30 Jun 2021	30 Jun 2021	10,489	0	65,265	3.9
Vice President, Per Skärgård	LTIP 2018	29 Jun 2018	30 Jun 2021	30 Jun 2021	7,635	0	47,507	2.9
President and CEO, Magnus Rosén	LTIP 2019	29 Jun 2019	30 Jun 2022	30 Jun 2022	22,608	0	87,920	4.8
Vice President, Jan Bosaeus	LTIP 2019	29 Jun 2019	30 Jun 2022	30 Jun 2022	16,591	0	64,521	3.6
President and CEO, Magnus Rosén	LTIP 2020	30 Jun 2020	29 Jun 2023	29 Jun 2023	24,122	0	37,523	1.8