



*English convenience translation of Swedish original. In case of discrepancies between the Swedish original and the English translation, the Swedish original shall prevail.*

## **THE BOARD'S PROPOSAL FOR GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

The Board proposes that the Annual General Meeting ("AGM") adopts the following guidelines for the remuneration to senior executives. Once adopted by the AGM, these guidelines are applicable to remuneration agreed and amendments to remuneration previously agreed. These guidelines do not apply to incentive programs decided by the AGM.

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

Lindab's business strategy is founded on the company's internal strengths and unique opportunities to harness global trends and is in brief:

To propel our position on all markets with the aid of our strong distribution network, our wide and increasingly complete product offering and our close relationships with customers. To create higher value through our supply chain, from purchasing to distribution, by simplifying, rationalising, innovating and having a customer-oriented holistic focus. To generate ideas on the cutting edge and for continuous improvement that will ensure future growth and profitability through Lindab's long-term innovative culture, strong leadership and brand.

For additional information on the company's business strategy, see [www.lindabgroup.com](http://www.lindabgroup.com).

To successfully implement the company's business strategy and sustainability agenda in the long and short term, the company must be able to recruit and retain qualified senior executives. An important component is being able to offer a competitive total remuneration, as enabled by these guidelines.

The variable cash remuneration covered by these guidelines shall aim at promoting the business strategy and long-term interests of the company.

For information, the company has implemented long-term incentive programs in the form of option programs, as adopted by the AGM in 2017, 2018 and 2019. The options are acquired by participants at market price. The programs comprise senior executives in the company. As the option programs were adopted by the AGM, they are not included in these guidelines. These programs are strongly connected to the value creation of the company and reflect the interests of shareholders in that they are directly linked to the share price. For more information on the programs and the qualification criteria, see [www.lindabgroup.com](http://www.lindabgroup.com).

### **Remuneration components and other terms for senior executives**

The total remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to what is determined by the guidelines, the AGM may resolve on, among other things, share-related or share price-related remuneration.



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The qualification period for the criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration may not exceed 120% for the CEO and 100% for other senior executives during the measurement period for such criteria.

For all company senior executives (who are not included in the collectively bargained pension benefit, ITP), a pension premium on the fixed cash salary may not exceed 30%. Variable cash remuneration shall not qualify for pension benefits.

Other benefits may include, for example, life insurance, medical insurance (Sw: *sjukvårdsförsäkring*) and company cars. Premiums and other associated costs relating to such benefits may not collectively exceed 10% of the fixed cash salary. For senior executives acting in another country, pension benefits and other benefits are to be regulated according to established or mandatory local praxis, and any adjustments to these must remain within the framework of these guidelines to the greatest extent possible.

### **Termination of employment**

For senior executives terminated at the company's initiative, a maximum notice period of 12 months applies. A notice period of maximum six months applies when termination is made by the executive.

### **Criteria for awarding variable cash remuneration**

Variable cash remuneration shall be linked to predetermined and measurable criteria which may be financial or non-financial in nature but that are clearly in line with the company's predefined financial or qualitative targets. In addition, they may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to promote the company's business strategy and long-term interests.

When the qualification period for the criteria for awarding variable cash remuneration has ended, the outcome will be assessed. The outcome assessment is managed in accordance with the grandfather principle. The assessment is based on financial targets as per the company's most recent published financial information.

The possibility of reclaiming variable salary is determined by the terms and conditions that apply for the program at the time.

### **Salary and employment conditions for employees**

In the preparation of the Board's 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 remuneration, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.



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

The Board's established remuneration committee is tasked with preparing the Board's decision to propose guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. Adopted guidelines shall be in force until new guidelines are adopted by the AGM.

In addition, the remuneration committee shall monitor and evaluate programs for variable remuneration for the company's executives as well as the application of the guidelines with regard to compensation levels and structures. The members of the executive management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **Derogation from the guidelines**

The Board 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's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### **Significant changes to the guidelines and how shareholder interests are harnessed**

Applicable from April 30, 2020.

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Båstad, March 2020  
Lindab International AB (publ)  
*Board of Directors*