

## **Guidelines for remuneration to the executive management of Nordic Waterproofing Holding AB**

These guidelines for remuneration describe the principles for salary and remunerations to the CEO and the other members of the Executive Management within the Nordic Waterproofing Group, and to members of the board of directors of Nordic Waterproofing Holding AB. These guidelines do not include remuneration or other compensation resolved upon by a general meeting.

### **The guidelines' contribution to business strategy, long-term interests and sustainability**

The business strategy of the company includes the areas of Proximity to the customer, Leading product portfolio and Market expansion. The company strives to conduct its business in an environmentally and socially sustainable way. Hence, sustainability issues are an integral part of the business strategy.

For further information on the company's business strategy, please refer to [www.nordicwaterproofing.com/about-us/strategy/](http://www.nordicwaterproofing.com/about-us/strategy/).

These guidelines are designed to attract, retain and motivate the executives at a competitive level. The remuneration is designed to align the interests of the executives with the interests of the shareholders.

### **The forms of remuneration etc.**

The remuneration package for the Executive Management consists of a base salary, a pension contribution, a short-term cash-based incentive, a long-term share-based incentive and other benefits. Furthermore, members of Executive Management may be awarded an additional bonus if specific conditions are met.

#### **(i) Base salary**

Base salary levels are determined by taking the nature of the individual role, individual considerations, the market positioning and remuneration conditions within the Nordic Waterproofing Group into account. Potential annual percentage increases are aligned with those of employees in general, except in specific circumstances. In addition, the base salary is reviewed annually to ensure that it is set at the right level.

#### **(ii) Pension benefits**

The pension benefits may be paid to the CEO in the form of premium-based solutions and shall not exceed 35 per cent of the fixed yearly salary.

Other members of the Executive Management, which operates in Sweden and has an employment contract under Swedish terms, has ITP (the collective agreement for officials). Members of the Executive Management who have employment contracts according to other country's conditions have pension solutions in accordance with local practice, whereby the principles of these guidelines as far as possible shall be met.

Pension premiums for a defined-contribution pension shall not exceed 35 per cent of the fixed yearly cash salary.

#### **(iii) Short-term incentives**

The payment of short-term cash bonuses may consist of an annual bonus received by each member of the Executive Management if the specific objectives for the company or other personal targets are achieved for the relevant year. The cash bonus shall correspond to a maximum of 100 per cent of the fixed basic salary of each eligible member of the Executive Management. The payment of bonuses is only relevant when terms and targets

have been achieved, either in full or in part (subject to agreement). No bonus is paid if the targets are not achieved. The objectives of the Executive Management shall be decided by the board of directors.

**(iv) Long-term incentives**

The long-term incentive program (LTIP) is a reoccurring share-based long-term incentive program linked to the achievement of predefined targets. LTIP is resolved by the general meeting and is therefore not part of these guidelines. For additional details on the current LTIPs, see the company's website.

**(v) Other benefits**

Other benefits offered shall be market-based and may consist of cars, fuel and medical care. The total value of these benefits shall, in relation to the total remuneration, represent a limited value and correspond to what is customary on the market, totalling not more than 10 per cent of the annual cash salary.

**(vi) Other bonus agreements**

Other bonus agreements, which may result in compensation in the form of cash bonuses up to 100 per cent of the basic salary, may be awarded under specific conditions. Such payments shall typically be made as an effect of a specific event. Subject to restrictions arising from the relevant legislation, such events may include the acquisition of a control item in a company, the completion of a company acquisition, the conduct of other important transactions or the achievement of other objectives.

### Details of criteria and conditions for the distribution of variable remuneration

The purpose of variable remuneration is to motivate and reward value-creating activities that promote Nordic Waterproofing Group's long-term business strategy and interests. The variable cash remuneration shall be linked to predetermined and measurable criteria, mainly financial targets such as EBITDA developments and growth targets. They may also consist of personalised quantitative or qualitative targets. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear link with the business strategy or promoting the long-term development of the executive Management.

Compliance with the criteria for the payment of short variable cash compensation shall be measurable over a period of one year and may not exceed 100 per cent of the total fixed cash salary during the measurement period. At the end of the measurement period for variable cash payment, the Remuneration Committee shall assess the extent to which the criteria have been met. In the case of financial targets, the assessment shall be based on the most recently published financial information by the company.

### Termination of employment

The period of notice may not exceed 24 months in the event of termination by the Company in respect of the CEO and a maximum of 12 months in the event of termination of other executives. The cash salary during the period of notice and the severance pay may not, taken together, exceed an amount equal to the fixed cash salary for two years for the CEO and one year for other executives. The period of notice may not exceed 12 months, without the right to severance pay, in the event of termination by the CEO and may not exceed 6 months, without the right to severance pay, in the event of termination by other executives.

### Salary and conditions of employment for employees

The salary and conditions of employment of the company's employees have been taken into account when preparing these guidelines by providing information on the employees' total remuneration, the components of remuneration and the increase and rate of remuneration over time as part of the decision-making documents of the Remuneration Committee and the board of directors in evaluating the fairness of the guidelines and the limitations resulting therefrom. In the remuneration report produced in respect of the remuneration paid and outstanding remuneration covered by the guidelines, the development of the gap between the remuneration of the company Management and the remuneration of other employees will be reported.

### Consultancy fees

Where a board member performs work for the company (including through a wholly-owned company) in addition to their board work, a separate fee may be paid for this (consultancy fee). Such fee shall not exceed the board fee paid to the member concerned. The fee is to be based on the current market rate and be proportionate to the benefit for the company and the extent to which such work contributes to the good financial and sustainable development of the company.

### Decision-making process for the definition, review and implementation of guidelines for remuneration

The board of directors has established a Remuneration Committee with the main tasks of preparing the board's decisions on matters relating to remuneration principles, remuneration and other terms of employment for the Executive Management. The Remuneration Committee shall also monitor and evaluate ongoing and during the year completed variable remuneration programmes.

The board of directors shall draft proposals for new guidelines at least every four years and submit the proposal to the annual general meeting for resolution. During the board's consideration and decisions on remuneration-related matters, to the extent that they are affected by the matters, the CEO or other members of the Executive Management shall not attend. Thereby, it is ensured that no conflicts of interests arise in connection with the determination and revision of the remuneration policy.

### Derogation from the guidelines

The board of directors may decide to temporarily derogate part of the guidelines in whole or in part if, in an individual case, there are special reasons for doing so and a deviation is necessary to satisfy the company's long-term interests, including its sustainability, or to ensure the financial viability of the company. As stated above, it is part of the Remuneration Committee's task to prepare the board's decisions on remuneration issues, which includes decisions on deviations from these guidelines. The board of directors is, under the described circumstances, entitled to derogate in the areas of base salary, pension contribution, a short-term cash-based incentive and other benefits to the Executive Management.

### Approval and publication

The guidelines have been approved at the company's annual general meeting on 28 April 2022 and shall apply until the 2026 annual general meeting unless circumstances arise that mean that revisions must take place earlier. The guidelines are available on the Company's website for as long as they are applicable.

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