

# Remuneration report for Nordic Waterproofing Holding AB (publ) 2020

## Introduction

This report describes how the Guidelines for remuneration to senior executives of Nordic Waterproofing Holding AB (the "Company"), adopted by the Annual General Meeting 2020, were applied during 2020. The report also contains information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the *Remuneration rules* issued by the Swedish Corporate Governance Board.

Further information on remuneration to senior executives can be found in Note 7 (Employees and personnel expenses) on pages 62–63 of the Annual Report for 2020. Information about the remuneration committee's work in 2020 can be found in the corporate governance report on pages 37–38 of the Annual Report for 2020.

Board remunerations are not covered by this report. Such fees are resolved annually by the Annual General Meeting and are reported in Note 7 on page 62 of the Annual Report for 2020.

## Development in 2020

2020 was another year of strong sales growth and a positive development for basically all financial KPI's of the Nordic Waterproofing Group. The year was to a large extent characterized by the ongoing Covid-19 pandemic, but it had only a limited impact on the Group's operations. Further information on the Group's operating and financial results can be found in the audited Annual Report for 2020, where the CEO summarizes the Company's overall results in his statement on page 5.

## The Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for a successful implementation of the Company's business strategy and the safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive remuneration. The Company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the Company's Guidelines for remuneration to senior executives, the remuneration to these shall be on market terms and may consist of the following components: fixed cash salary, pension benefits, variable cash remuneration, long-term share-based incentive program, other benefits and any additional bonus on special terms. The variable cash remuneration shall be linked to specific objectives. The payment of bonuses is only relevant when terms and objectives have been achieved, either in whole or in part (by agreement).

The guidelines are summarized on page 38 of the Annual Report for 2020 and on the Company's website. During 2020, the Company has followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process to be applied in order to determine the remuneration. The auditor's opinion on the Company's compliance with the guidelines is available at the Company's webpage. No compensation has been claimed back.

Table 1 – Total remuneration to the CEO in 2020 (MSEK)

Executive	1. Fixed remuneration		2. Variable remuneration		3. Extraordinary items	4. Pension cost	5. Total remuneration	6. Share of fixed or variable remuneration
	Basic salary	Other benefits	Annual	Multi-year*				
Martin Ellis (CEO)	5.6	-	3.3	1.8	-	-	10.7	52/48

\* Refers to booked costs in 2020 for LTIP 2017-2020 for the CEO

## Share-based remuneration

The Company has decided to introduce annual recurring long-term share-based incentive programs. These programs are described in Note 7 on page 63 of the Annual Report for 2020. In 2020, the LTIP 2017 was finalized and the CEO was allotted 8,410 shares corresponding to 39% of the full target fulfillment.

Table 2 – Share Program (CEO)

Executive	1. Program name	2. Performance period	3. Date of award	4. Date of full earning	5. Lock-in period ends	6. Required number of shares to participate *	7. Number of shares received at min. level**	8. Number of shares received at max. level**
Martin Ellis (CEO)	LTIP 2018	2018 - 2020	2018-04-20	2021-04-20	2021-04-20	66 805	5 344	26 722
	LTIP 2019	2019 - 2021	2019-04-24	2022-04-24	2022-04-24	66 335	5 307	26 534
	LTIP 2020	2020 - 2022	2020-06-15	2023-06-15	2023-06-15	57 925	4 634	23 170

\* In order to participate in each program, the participant shall own at least this number of shares.

\*\* Number of shares received at minimum respective maximum target fulfilment, in between an extrapolation is done.

## Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to drive the Company's earnings development and to encourage business behavior. When selecting performance criteria, the strategic goals and short- and long-term business priorities for 2020 have been considered.

Table 3 – The CEO performance during the reported financial year: variable cash remuneration

Executive	1. Description of criteria attributable to the remuneration component	2. Relative weighting of the performance criteria	3. Outcome of performance criteria
Martin Ellis (CEO)	NWG EBIT Development	80%	100%
	NWG Sales Development	20%	100%

## Comparative information regarding changes in remuneration and the Company's results

Table 4 – Changes in remuneration and the Company's results during the last five reported financial years (MSEK)\*

	2020
Remuneration to the CEO	10.7
Group operating profit	337.1
Compensation per employee**	0.7

\* From the financial year 2020, which is the first financial year for this type of remuneration report.

\*\* Average remuneration based on the number of full-time equivalent employees in the Group.