

The Board's proposition for guidelines for remuneration to senior officers 2019

The Board proposes that the Annual General Meeting adopts the following guidelines for remuneration to senior officers. The guidelines follow the principles used up to this point.

Senior officers are the persons that, together with the CEO, form Group Management. These guidelines will be applicable for contracts of employment signed after the Meeting's resolution on the guidelines and for those cases in which alterations are made in existing contracts after the Meeting's resolution. Elanders shall offer a total compensation on par with market levels so that the Company can recruit and keep qualified senior officers. Remuneration to senior officers consists of a basic wage, variable remuneration, other benefits and pension.

Basic wage

The basic wage shall take into consideration the individual's responsibility and experience.

Variable remuneration

The division between basic wage and variable remuneration shall be in proportion to the officer's responsibility and authority. The variable remuneration should be based on results in relation to individual targets. The variable remuneration for the CEO and the CFO may amount to, at most, 60 respectively 50 percent of the basic wage. For other senior officers variable remuneration may amount to, at most, 40 percent of the basic wage.

Other benefits

Senior officers have the right to other customary benefits such as a company car, occupational health care, etc.

Pension

Pension provisions may not exceed 35 percent of the pensionable income or, in certain cases, may be no higher than the cost of ITP together with general pension charges pursuant to applicable law or the equivalent. Regardless of these guidelines, the Board has the right to renew existing pension agreements with essentially the same terms. The pensionable income is based on the basic wage.

Severance pay etc.

The period of notice for termination of the CEO by the company is 18 months. The period of notice from the CEO is 6 months. The period of notice for termination of other senior officers by the company shall normally vary between 3 to 18 months. Normal wages are paid during the period of notice. Severance is not paid.

Deviation from guidelines

The Board has the right to deviate from the above mentioned guidelines in individual cases when it is considered necessary. During 2018 the Board has resolved on one such deviation by approving that the variable remuneration to a senior officer residing abroad henceforth may exceed 40 percent of the basic wage. The reason thereto is that the Board believes that the deviation is necessary in order for the total remuneration package to be competitive in light of local circumstances.

Previously decided remunerations

There are no previously decided remunerations that have not become due.