

REMUNERATION REPORT 2020

INTRODUCTION

This report describes how the guidelines for executive remuneration of Nordic Paper Holding AB, adopted by the annual general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO. There are no outstanding share and share-price related incentive programs during 2020.

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 executive remuneration is available in note 9 *Employees and personnel costs* on pages 85-86 in the Annual Report 2020. Information on the work of the remuneration committee in 2020 is set out in the *Corporate Governance Report* available on pages 50-56 in the Annual Report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed on page 53 in the Annual Report 2020.

KEY DEVELOPMENTS 2020

The overall performance of the company is summarized in the Director's Report.

THE COMPANY'S REMUNERATION GUIDELINES: SCOPE, PURPOSE AND DEVIATIONS

A prerequisite for the successful implementation of Nordic Papers business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, a market competitive total remuneration is of importance. Nordic Papers remuneration guidelines enable the company to offer the executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash base salary, variable cash remuneration, pension benefits and other benefits.

The variable cash remuneration 2020 is linked to Nordic Paper's financial result.

The remuneration guidelines are found on pages 57-58 in the Annual Report 2020. During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting.

To serve the Company's long-term interests, the Board of Directors approved in 2020 an additional cash remuneration to the CEO and the Senior Management team for taking on new roles and responsibilities during the IPO process.

REMUNERATION 2020

TOTAL CEO REMUNERATION IN 2020 (KSEK) ¹⁾

Name and position	Financial year	FIXED REMUNERATION		VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS ⁴⁾	PENSION EXPENSE ⁵⁾	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
		Base salary ²⁾	Other benefits ³⁾	One-year variable	Multi-year variable				
Anita Sjölander (CEO)	2020	2,260	96,4	0	NA	385,2	830	3,572	89/11

¹⁾ The table reports remuneration earned in 2020. Disbursement of any payments may or may not have been made the same year.

²⁾ Including holiday pay

³⁾ Company car

⁴⁾ Extraordinary item is an IPO gratification

⁵⁾ Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

The award was conditioned upon on a successful IPO. There are no other derogations or deviations from the remuneration guidelines and no derogations from the procedure for implementation of the guidelines.

No remuneration has been reclaimed.

SHARE-BASED REMUNERATION

There is no established share base remuneration for 2020.

APPLICATION OF PERFORMANCE CRITERIA

The performance criteria for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance criteria's, the strategic objectives, short and long-term business priorities for 2020 have been taken into account.

PERFORMANCE OF THE CEO IN THE REPORTED FINANCIAL YEAR

Name and position	Description of the criteria to the remuneration component	Relative weighting of the performance criteria	a) Measured performance b) Actual remuneration outcome
Anita Sjölander (CEO)	EBITDA	100 %	a) SEK 482 m (adjusted by IPO costs) b) SEK 0 m

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

Change of remuneration (total taxable cash remuneration incl. benefits reported to the tax authorities) and company performance over the last five reported financial years.

(RFY)-COMPARISON WITH PARENT COMPANY

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2020
CEO remuneration	NA	NA	NA	NA	NA	KSEK 2,797
Group EBITDA, adjusted (IPO costs)						SEK 482 m
Average remuneration on a full-time equivalent basis of employees of the parent company	NA	NA	NA	NA	NA	KSEK 1,631

(RFY)-COMPARISON WITH NORDIC PAPERS SWEDISH COMPANIES

Nordic Paper Bäckhammar AB, Nordic Paper Seffle AB and Nordic Paper Åmotfors AB

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2020
CEO remuneration	NA	NA	NA	NA	NA	KSEK 2,797
Group EBITDA, adjusted (IPO costs)						SEK 482 m
Average remuneration on a full-time equivalent basis of employees of Nordic Paper's company excl Norway	NA	NA	NA	NA	NA	KSEK 514