

REMUNERATION REPORT 2021

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 2021. The report also provides information on remuneration to the CEO. There are no outstanding share and share-price related incentive programs during 2021.

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 92-93 in the Annual Report 2021. Information on the work of the remuneration committee in 2021 is set out in the *Corporate Governance Report* available on pages 53-59 in the Annual Report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 9 on page 93 in the Annual Report 2021.

KEY DEVELOPMENTS 2021

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 Paper's 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 Paper's 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 2021 is linked to Nordic Papers financial result.

The remuneration guidelines are found on pages 66-67 in the Annual Report 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting.

No remuneration has been reclaimed.

REMUNERATION 2021

TABLE 1 TOTAL CEO REMUNERATION IN 2021 (KSEK) ¹⁾

Name and position	Financial year	FIXED REMUNERATION		VARIABLE REMUNERATION		EXTRA-ORDINARY ITEMS	PENSION EXPENSE ⁴⁾	TOTAL REMUNERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
		Base salary ²⁾	Other benefits ³⁾	One-year variable	Multi-year variable				
Anita Sjölander (CEO)	2021	3,085.0	93.9	745.7	NA	NA	926.4	4,851.0	85/15

¹⁾ The table reports remuneration earned in 2021. Disbursement of any payments may or may not have been made the same year.

²⁾ Including vacation pay.

³⁾ Other benefits such as company car and private health care.

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

SHARE-BASED REMUNERATION

Due to applicable insider rules it was decided by the Board of Directors to not implement the long-term incentive programme resolved at the Nordic Paper annual general meeting on 20th of May 2021 in the form of warrants for senior executives which encompassed the CEO and the other members of the management team.

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, the strategic objectives, short and long-term business priorities for 2021 have been taken into account.

TABLE 2 PERFORMANCE OF THE CEO IN THE REPORTED FINANCIAL YEAR 2021

Name and position	Description of the criteria to the remuneration component	Relative weighting of the performance criteria	Measured performance	Actual remuneration outcome
Anita Sjölander (CEO)	EBITDA	50 %	21 %	129 kSEK
	Net sales growth (organic)	50 %	100 %	617 kSEK

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

TABLE 3 CHANGE OF REMUNERATION 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 2020	RFY 2021 vs 2020
CEO remuneration ¹ Index set 2020 = 100	NA	NA	NA	100	110.3
The Group EBITDA (adjusted for the provision made in second quarter 2021 of MSEK 76) Index set 2020 = 100	NA	NA	NA	100	91.1
Average remuneration on a full-time equivalent basis of employees of the parent company ¹⁾ Index set 2020 = 100	NA	NA	NA	100	103.6

¹⁾ The table reports total remuneration including benefits earned in 2021. Disbursement of any payments may or may not have been made the same year.

TABLE 4 CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST FIVE REPORTED FINANCIAL YEARS (RFY)-COMPARISON WITH NORDIC PAPER 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 2020	RFY 2021 vs 2020
CEO remuneration ¹ Index set 2020 = 100	NA	NA	NA	100	110.3
The group EBITDA (adjusted for the provision made in second quarter 2021 of MSEK 76)				100	91.1
Average remuneration on a full-time equivalent basis of employees of Nordic Paper companies excl Norway ¹ Index set 2020 = 100	NA	NA	NA	100	105.6

¹⁾ The table reports total remuneration including benefits earned in 2021. Disbursement of any payments may or may not have been made the same year.