

2024

Remuneration Report



NORDICPAPER 

Remuneration Report 2024

Introduction

This report describes how the guidelines for executive remuneration of Nordic Paper Holding AB, adopted by the annual general meeting 2024, have been applied in 2024.

The report also provides information on the remuneration to the CEO including short- and long-term incentive programs valid for this period. 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 119–122 in the Annual Report 2024. Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting.

Key developments 2024

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 2024 is linked to Nordic Papers financial result.

No remuneration has been reclaimed.

The remuneration guidelines are found on pages 96–97 in the Annual Report 2024. During 2024, the company has complied with the applicable remuneration guidelines adopted by the general meeting.

Remuneration 2024 – Total CEO remuneration in 2024 (kSEK)¹

Name and position	Financial year	Fixed remuneration		Variable remuneration				Total remuneration	Proportion of fixed and variable remuneration
		Base salary ²	Other benefits ³	One-year variable	Multi-year variable	Extraordinary items ⁴	Pension expense ⁵		
Anita Sjölander (CEO)	2024	3,413.5	91.7	556.1	1,092.7	837.5	1,197.9	7,189.3	65/35

1) The table reports remuneration earned in 2024. 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) Associated to sales process 2024
5) Pension expense, which in its entirety relates to base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

In 2022 and 2023 the CEO and the Senior Executive Management were offered to acquire warrants in two separate programs referred to as LTI2022/2025 and LTI2023/2026.

In October 2024 Strategic Value Partners ("SVP") announced through Coniferous Bidco AB a public offer to acquire the share holders of Nordic Paper to tender all their shares to Coniferous Bidco AB at a price of SEK 50 per share.

In connection to this Coniferous Bidco AB also presented an offer to the CEO and the Senior Executive Management to acquire the issued warrants from each individual at a price of SEK 50 per warrant. All the participating executives chose to sell all of their warrants to Coniferous Bidco AB resulting in that the

LTI2022/2025 and LTI2023/2026 in essence were executed and closed as long term incentive programs for the CEO and Senior Executive Management.

In 2024 a Long Term Incentive Program (LTI) was established following a decision at the Annual General Meeting 2024. The purpose of the LTI 2024/2027 is to create clarity and predictability for the participants and further align the interests of the participants with the interests of the shareholders. The new incentive program focuses on one strategically important financial performance condition, Return on Operating Capital.

LTI2024/2027 was offered to the CEO and the Senior Executive Management as a cash based program subject to the fulfillment of the performance condition. In order to incentivize the

Senior Executive Management with share-holder interest and long term development of the company the LTI2024/2027 program also contains a requirement for the participants to acquire, and keep for three years, Nordic Paper shares for half of the net payment they receive as part of the program.

Program name	AGMdecision warrants	Issued warrants	Participants	Warrants acquired by CEO	Warrants acquired by executives	Share price (VWAP), SEK	Strike price, SEK	Warrant Cap, SEK	Exercise price, SEK	Gross amount, SEK	Investment, SEK	Net profit before tax, SEK
LTI2022/2025	600,000	584,000	7	140,000	444,000	38.14	45.77	64.84	50.00	592,200	217,000	375,200
LTI2023/2026	329,000	292,000	7	70,000	222,000	32.48	38.98	55.22	50.00	771,400	53,900	717,500

Program name	Program type	Performancefactor	Measurement period	Performance threshold (ROC)	Performance Horizon (ROC)	Max outcome (% base salary)	Minimum share acquisition if positive outcome
LTI2024/2027	Cash	Return on capital (ROC)	2024-01-01 2026-12-31	25%	30%	80%	50% of net cash outcome Retain shares ≥3 years

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 longterm priorities for 2024 have been taken into account.

Performance of the CEO in the reported financial year 2024

Name and position	Description of the criteria to the remuneration component	Relative weighting of the performance criteria, %	Measured performance, %	Actual remuneration outcome, SEK
Anita Sjölander (CEO)	EBITDA	55	40	292,000
	Net sales growth (organic)	35	56	264,000
	Sustainability	10	0	0

Comparative information on the change of remuneration and company performance

Change of cash & benefit remuneration and company performance over the last five reported financial years (RFY)-comparison with senior management team and all employees in Swedish companies.

(Nordic Paper Bäckhammar AB, Nordic Paper Seffle AB and Nordic Paper Åmotfors AB) ^{1,2}, Index set 2020=100

	RFY 2020	RFY 2021	RFY 2022	RFY 2023	RFY 2024 ⁴
Chief Executive Officer Cash Remuneration	100	142.6	151.6	139.6	218.5
Remuneration distribution					
Base Salary, %	82	79	77	87	57
Short Term Incentive, %	0	19	20	11	9
Long Term Incentive, %	0	0	0	0	18
Extra Ordinary Items, %	14	0	0	0	14
Benefits, %	4	2	2	3	2
Population size ³	1	1	1	1	1
All Employee Cash Remuneration	100	105.0	109.0	109.4	117.1
Remuneration distribution					
Base Salary, %	99	96	97	97	97
Variable pay, %	0	3	2	2	2
Benefits, %	1	1	1	1	1
Population Size ³	556	563	542	552	563
The Group adjusted EBITDA (adjusted for the provision made in second quarter 2021 of MSEK 76)	100	94.8	179.3	169.2	176.0

1) Since the remuneration report 2022 the company has adjusted the structure of the comparison chart in relation to Remuneration Report 2020 and 2021. This has been done to further adopt market standard practice and more clear alignment with key leading indicators throughout the Remuneration Report as well as the Annual Report.

2) The table reports total cash & benefit remuneration earned in 2023 based on gross base salary, short & long incentive programs as well as possible extraordinary items. Disbursement of any payments may or may not have been made the same year.

3) Average headcount on annual basis.

4) In 2024, an extraordinary compensation was paid in connection with the sales process at the same time as the two option programs were terminated through early sale.

