

Guidelines for remuneration of senior executives

Introduction

The following guidelines were adopted by the 2020 Annual General Meeting and are applicable until the 2024 Annual General Meeting under the condition that no changes are proposed.

By senior executives is meant the President of the Parent Company and other members of Group Management, which consisted of six persons in 2020. The guidelines shall be applied for remuneration agreed upon after the guidelines were adopted by the Annual General Meeting as well as for changes made to existing agreements on remuneration. The guidelines do not pertain to remuneration decided on by a general meeting of shareholders.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Addnode Group's strategy is to acquire, operate and develop entrepreneur driven companies that help digitalise society. The Group's financial targets are i) annual growth in net sales of at least 10 per cent, ii) an operating margin before amortisation and impairment of intangible assets (EBITA margin) of at least 10 per cent, and iii) that at least 50 per cent of consolidated profit after tax shall be distributed to the shareholders, provided that net cash is sufficient to operate and develop the business.

Successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including its sustainability, requires that the company can recruit and retain qualified employees. The company shall therefore apply market and competitive levels of remuneration and terms of employment to be able to recruit and retain management with high competence and capacity to achieve set goals.

Forms of remuneration, etc.

Remuneration of the President of the Parent Company and other members of Group Management shall normally consist of a fixed salary, variable remuneration, share-based incentive programmes, pension and other customary benefits.

Fixed salary

Fixed salary is not conditional upon the achievement of any performance requirements. However, the employee's individual performance and qualitative competence shall be taken into account along with the business performance when setting fixed salary and any increases to fixed salary. As a rule, fixed salary is reviewed once a year.

Variable cash remuneration

In addition to fixed salary, variable cash remuneration may be payable. Variable remuneration shall be based on achieved results and/or individually set and specific goals. In addition, variable remuneration shall be based on metrics coupled to the yearly business plan, which in turn is coupled to Addnode Group's long-term business strategy and financial targets. These metrics shall include financial targets at the Group and divisional levels (for relevant members of Group Management). Other metrics may include strategic targets, operational targets, targets for employee engagement or customer satisfaction, targets pertaining to sustainability and corporate social responsibility, or

other leading indicators. The starting point is that most of the variable remuneration shall be based on metrics for the part of operations that the senior executive is responsible for.

In all, a maximum of four targets may be assigned to an individual senior executive for a financial year. Financial targets shall account for at least 75 per cent of the possible target bonus, and at least 15 per cent shall be at the Group level. The minimum weight for a specific target shall be 10 per cent. The outcome for all targets shall be calculated based on a performance period of 12 months (the financial year). For the President and Chief Executive Officer, the maximum award of variable remuneration shall be an amount corresponding to 12 months' fixed salary. For other members of Group Management, the maximum award shall correspond to nine months' fixed salary.

Share-based incentive programmes

Share-based incentive programmes shall ensure a long-term commitment to the Group's development and promote a personal shareholding in the company, and shall be implemented at market terms. Share-based incentive programmes require a resolution by a general meeting of shareholders and are therefore not covered by these guidelines.

Pension and other benefits

Pensions shall always be defined contribution solutions in order to create predictability regarding the company's future obligations. Pension premiums shall be paid in an amount up to a maximum of 30 per cent of the employee's current, fixed yearly salary.

Other remuneration and benefits shall be in line with the going rate in the market and contribute to facilitating the executive's opportunities to perform his or her work duties and may amount to a maximum of 10 per cent of fixed yearly cash salary. Other benefits pertain mainly to company cars or mileage allowance.

End of employment

Senior executives' employment contracts include stipulations for notice of end of employment. The policy is that employment can end at either party's request with a notice period of at least six months and not more than 12 months. During the notice period, unchanged salary, remuneration and benefits shall be paid.

Salary and terms of employment for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and terms of employment for the company's employees have been taken into account, whereby information on the employees' total remuneration, the remuneration components, and the increase in remuneration and rate of increase over time have made up part of the Remuneration Committee's and Board's decision-making documentation in evaluating the fairness of the guidelines and the limitations posed by these.

Remuneration of board members in addition to directors' fees resolved by a general meeting of shareholders

Board members elected by a general meeting shall in special cases be able to receive fees and other remuneration for work performed on behalf of the company in addition to board work (consulting services, etc., in the directors' respective areas of competence). For such services, it shall be possible to pay a fee that is in line with the going rate in the market, which shall be approved in advance by

the Chairman of the Board or by two board members. These guidelines shall be applied for such remuneration.

Decision-making process for setting, reviewing and implementing the guidelines

The Board has established a remuneration committee. The committee is tasked with conducting preparatory work for the Board's decisions on proposed guidelines for remuneration of senior executives and any decisions to depart from the guidelines. The Board shall draw up a proposal for new guidelines at least every four years and submit its proposal to the Annual General Meeting for resolution. The guidelines shall remain in effect until new guidelines have been adopted by a general meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programmes for members of Group Management, the application of guidelines for remuneration of senior executives, and applicable remuneration structures and remuneration levels in the company. In the Board's consideration of and decisions on remuneration-related matters, the President or other members of Group Management shall not be present inasmuch as the matters pertain to their own remuneration.

Departures from the guidelines

The Board may temporarily depart from these guidelines, fully or in part, only if there are special reasons for doing so in an individual case and a departure is necessary to safeguard the company's long-term interests, including its sustainability, or to safeguard the company's long-term financial soundness. If the Board departs from the guidelines for remuneration of senior executives, these shall be reported on in the remuneration report ahead of the next Annual General Meeting.