

## **The board of directors' evaluation of remuneration to the members of management**

The board of directors of Rottneros (publ) ("**Rottneros**") has a remuneration committee that prepares the board of directors' resolutions concerning remuneration principles, remuneration and other employment terms for the CEO and members of management. The remuneration committee also monitors and evaluates the applied remuneration structure and remuneration levels in the company. Since the annual shareholders' meeting 2019, the remuneration committee has monitored the application of the adopted guidelines for remuneration to the CEO and members of management. The remuneration committee has found that all remuneration has been in accordance with the guidelines adopted by the annual shareholders' meeting 2019.

### **Remuneration**

Within Rottneros, the compensation shall consist of the following components: fixed salary, possible variable compensation, other benefits and pension benefits. According to the guidelines the variable compensation shall have a cap as follows: 50 per cent of the fixed salary for the CEO and 30 per cent of the fixed salary for other members of management.

### **Remuneration structure and levels**

The remuneration committee is of the opinion that the applicable structures and levels of such compensation provide requirements for a total compensation that is fair and competitive. The Board is of the view that Rottneros' remuneration structure and levels for 2019 (base salary and short-term variable remuneration) entail a good balance between providing incentives for employees and maintaining cost efficiency.

### **Guidelines for remuneration**

In light of certain rule changes, the board has proposed that the annual shareholders' meeting on 24 June 2020 resolves to adopt updated guidelines for the remuneration to members of management and members of the board. In principle, the proposed guidelines for remuneration correspond to the guidelines that were adopted by the annual shareholders' meeting in 2019, with the difference that the guidelines now include members of the board and also provide more detail to the remunerations within Rottneros.

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*Vallvik, March 2020*  
**Rottneros AB (publ)**  
*The board of directors*