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THE BOARD'S PROPOSAL REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The Annual General Meeting on April 23, 2020 resolved to adopt the following guidelines for remuneration payable to senior executives:

Nyfosa AB has established principles and forms of remuneration to senior executives. The Board resolves, after the remuneration committee's preparation, on the size and forms of remuneration structures and remuneration payable to senior executives. The term "senior executives" means the Chief Executive Officer (CEO) and other members of the company's management. The Board proposes that the following guidelines for remuneration to the company's senior executives are adopted by the general meeting to apply until further notice, although not longer than until the 2024 Annual General Meeting. These guidelines apply to agreements concluded after the 2020 Annual General Meeting's resolution and where amendments are made to existing agreements after that time. These guidelines do not apply to any remuneration resolved upon by the general meeting.

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

On March 13, 2020, Nyfosa announced a new financial target and a new dividend policy as well as an updated business concept and vision, see the company's website www.nyfosa.se. A prerequisite for a successful implementation of the company's strategy and safeguarding of its long-term interests, including its sustainability and equality, is that the company is able to recruit and retain qualified personnel. To be able to recruit and retain a highly competent management with capacity to achieve set targets, the company shall apply competitive compensation levels and employment terms in line with market practice. The forms of remuneration shall motivate senior executives to do their utmost to ensure the shareholders' interests. The forms of remuneration shall also be simple, long-term and measurable.

Types of remuneration, etc.

The remuneration to senior executives may comprise a fixed and a variable part and pension benefits and other benefits. The fixed salary for senior executives shall be adapted to market conditions and be based on competence, responsibility and performance.

Variable remuneration may be awarded to the senior executives when the Board considers that it encourages the accurate behavior and does not jeopardize long-term value creation. The variable remuneration shall reward target-related results and improvements in simple and transparent structures and shall be maximized. Any outcome must relate to the fulfilment of the company's financial targets and other measurable performances related to sustainability which will support long-term shareholder value. Established performances shall mainly be common to senior executives, but may also, to a lesser extent, refer to individual performance. As a general rule, the measurement period for variable remuneration is based on performance for a period of approximately twelve months. Variable remuneration to each senior executive may not exceed six months' salary and shall not entitle to pension benefits.

Senior executives' non-monetary benefits shall facilitate the work of senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive operates. Premiums and other costs relating to such benefits may amount to not more than five percent of the fixed annual cash salary.

Senior executives may be offered incentive plans which shall primarily be share-based or share price-related. Any incentive plan must aim to improve the participants' commitment to the company's development and be implemented on market terms. Share-based and share price-related incentive plans shall be resolved by the general meeting and are therefore exempted from these guidelines. The company shall be able to pay cash remuneration linked to senior executives' acquisition of shares or share-related instruments. Such cash remuneration shall not generally exceed 15 percent of the fixed annual cash salary. For more information regarding outstanding incentive plans, see the company's website www.nyfosa.se.

The terms for pension benefits for senior executives shall be based on defined contribution pension plans and comply with or correspond to, and thereby be limited to, general pension plans, the ITP plan in Sweden.

Termination of employment

Salary during the period of notice and severance pay for a senior executive may together not exceed an amount equivalent to 18 months' salary, if notice of termination is made by the company, and six months' salary when notice of termination is made by the senior executive.

Salary and employment conditions for employees

Nyfosa has a de-centralised and relatively small organisation. The most vital functions for the company are provided in-house and other more standardised functions are insourced from external service providers.

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Remuneration to the Board in addition to fees to the Board resolved by the general meeting

In special cases, Board members elected by the general meeting should be able to receive fees and other remuneration for work carried out on the company's behalf, alongside their Board work. Fees at market rates, to be approved by the Board, may be payable for such services. These guidelines are applicable on such remuneration.

The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for remuneration to senior executives as well as any deviation from the guidelines. The Board shall prepare a proposal for new guidelines at least every fourth year and present the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate plans for variable remuneration to the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent from the company and its executive management. In the Boards' work regarding remuneration-related matters, the CEO of the company and the other members of the executive management are not present in so far as the questions concern their own remuneration.

Deviation from the guidelines

The Board may temporarily resolve to deviate, in whole or in part, from the guidelines for remuneration to senior executives set out above, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. If the Board deviates from the guidelines for remuneration to senior executives this shall be reported in the remuneration report before the upcoming Annual General Meeting.

Guidelines adopted on the Annual General Meeting on April 23, 2020.