

Statement by the Board of Directors (the “Board”) of Nordax Group AB (publ) (“Nordax”) pursuant to rule 10.3 of the Swedish Corporate Governance Code (the “Code”)

Regulatory background

According to the Code, all companies whose shares are listed on a regulated market in Sweden shall comply with certain rules regarding remuneration of the executive management;

- According to Code rule 9.1, the board is to establish a remuneration committee, whose main tasks are to (i) prepare the board’s decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management, (ii) monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and (iii) monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- According to Code rule 10.3, the Board is also to publish the results of the evaluation required by Code rule 9.1 points two and three in the corporate governance section of the company’s website no later than three weeks before the annual general meeting.

The Remuneration Committee

The Board has established a Remuneration Committee, the main tasks of which include, among other things, preparing the Board’s decisions concerning principles for remuneration, as well as decisions on fixed and variable remunerations and other terms of employment for the CEO and each other member of the management team. In addition, the main tasks of the Remuneration Committee include monitoring and evaluating programs for variable remuneration.

The Remuneration Committee consists of Arne Bernroth (Chairman), Christian Beck and Synnöve Trygg.

Evaluation of programmes for variable remuneration, both ongoing and those that have ended during the year, for the management team (Rule 9.1 point 2)

Variable remuneration to the management team is offered through Nordax’s Management Incentive Plan (the “MIP”). The MIP was first introduced in 2015 and comprises both cash and share award components. In preparation of the resolution to introduce the MIP, the Remuneration Committee evaluated different alternatives. As a result of the introduction of the MIP, all members of the management team were disqualified from participating in the group-wide cash based variable remuneration program.

The MIP is evaluated on a continuous basis throughout the year and the expected outcome is reported and discussed. The Remuneration Committee also monitors the employees’ participation in the MIP. The Board’s decision on individual award under the MIP, as well as payment of previously awarded and deferred remuneration is prepared by the Remuneration Committee.

The Remuneration Committee’s view is that the MIP fulfils the function to attract and in the long run retain the most qualified and committed employees. Furthermore, the MIP strengthens long-term commitment in the interests of the shareholders.

Based on the evaluation, it is proposed that the Annual General Meeting resolves on a Management Incentive Plan for 2017 in all material respects similar and based on the same structure as the MIP introduced in 2015. The Board's complete proposal is available on Nordax's website.

Evaluation of the application of the guidelines for remuneration of the management team that the annual general meeting has established as well as the current remuneration structure and levels (Rule 9.1 point 3)

Under the guidelines for remuneration and other terms of employment for the Chief Executive Officer and the Management Team adopted by the Annual General Meeting 2016, remunerations at Nordax shall be based on two main components; fixed and variable remuneration. Fixed remuneration consists of base salary and pensions. The total remuneration shall reflect the complexity, responsibility and skills required in each position as well as the performance of the individual employee. In addition, remuneration shall further encourage high performance, sound behavior and risk-taking that are aligned with Nordax's values, long-term interests and the overall risk appetites set by the Board.

The Remuneration Committee has during the year evaluated and prepared all Board decisions regarding remuneration to the Management Team and has found that these are consistent with market conditions and appropriate.

The Board of Directors' Remuneration Committee thus finds that the guidelines for remuneration and other terms of employment for the Chief Executive Officer and the Management Team adopted by the Annual General Meeting 2016 have been correctly applied on the remuneration to the Management Team.

The Board of Directors in March 2017

Nordax Group AB (publ)