

## **The Board of Directors' proposal for guidelines for executive remuneration**

The executive management of Sdipotech AB (publ) (“**Sdipotech**” or the “**Company**”) fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2021. These guidelines do not apply to any remuneration decided or approved by the General Meeting. Share-related incentive plans are decided, where appropriate, by the General Meeting.

### *The guidelines' promotion of Sdipotech's business strategy, long-term interests and sustainability*

Sdipotech is a technology group focused on infrastructure. Sdipotech's business concept is to provide niched solutions to the infrastructure sector.

A prerequisite for the successful implementation of Sdipotech's business strategy and safeguarding of its long-term interests, including its sustainability, is that Sdipotech is able to recruit and retain qualified senior executives. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer the senior executives a competitive total remuneration.

For more information regarding Sdipotech's business strategy, please see the Company's Annual Report or its website, [www.sdipotech.se](http://www.sdipotech.se).

The Company has previously implemented share-related incentive plans. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information regarding previous plans, see [www.sdipotech.se](http://www.sdipotech.se).

### *Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 50 per cent of the total fixed cash salary under the measurement period for such criteria.

For senior executives, pension benefits, including health insurance (Sw: *sjukförsäkring*), shall be based on a premium defined pension plan unless the individual concerned is subject to defined benefit pension under mandatory law or collective agreement provisions. Variable cash remuneration shall not qualify for pension benefits unless required by mandatory law or collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 25 per cent of the fixed annual cash salary.

Other benefits may include, for example, company cars, occupational health services and medical insurance (Sw: *sjukvårdsförsäkring*). Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### *Termination of employment*

The notice period may not exceed 12 months if notice of termination of employment is made by the Company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 12 months. The period of notice may not to exceed six months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 100 per cent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

### *Criteria for awarding variable cash remuneration, etc.*

The variable cash remuneration shall be linked to predetermined, documented and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO and other executives.

### *Salary and employment conditions for employees*

In the preparation of the Board of Directors' 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 of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

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

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the 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 programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### *Derogation from the guidelines*

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.