

## Remuneration report 2021

### Introduction

This remuneration report provides an outline of how the guidelines for the remuneration of senior executives of Coor Service Management Holding AB's (reg.no. 556742-0806) ("Coor") (the "remuneration guidelines"), adopted by the annual general meeting 2020, have been implemented in 2021. The report also provides details on the remuneration of Coor's CEO. In addition, the report contains a summary of Coor's outstanding share and share-price related incentive programs. The report has been prepared in compliance with the Swedish Companies Act (2005:551) and *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554) is available in notes 6 and 7 on p. 86-92 in the company's annual report for 2021 (the "annual report 2021").

Information on the work of the remuneration committee in 2021 is set out in the corporate governance report, which is available on p. 50-67 in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 7 on p. 90 in the annual report 2021.

### Key developments 2021

The CEO summarises Coor's overall performance in 2021 her statement on p. 6-7 in the annual report 2021.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of Coor's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive total remuneration, which the remuneration guidelines enable. The total remuneration shall be competitive, in line with market levels and reflect the individual's performance and responsibility, and with regard to any long-term variable remuneration, the value growth of the Coor share that accrues to the shareholders. Variable cash remuneration covered by the remuneration guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Under Coor's remuneration guidelines, the remuneration to the senior executives shall consist of fixed salary, any variable remuneration, pension and other benefits. The remuneration guidelines are found on p. 72-74 in the annual report 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the remuneration guidelines have been decided and no derogations from the procedure for implementation of the remuneration guidelines have been made. The auditor's report regarding whether the company has complied with the guidelines is available on the company's website [www.coor.com](http://www.coor.com). No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of Coor have resolved to implement long-term share-related incentive plans to the CEO and the other members of the executive management, implemented in the company during 2018, 2019 and 2021

(LTIP 2018, LTIP 2019 and LTIP 2021). The outcome of these plans does not qualify for pension benefits. The long-term share-related incentive plan proposed by the board of directors to the annual general meeting 2022 and any future share-related incentive plans to be approved by the general meetings are not subject to the guidelines.

**Table 1 – Total remuneration of the CEO (SEK)**

Table 1 below sets out total remuneration paid to Coor’s CEO during 2021.

Name of Director, position (start/end)	Financial year	1		2		3	4	5	6
		Fixed remuneration		Variable remuneration					
		Base salary	Other benefits	One-year variable <sup>c</sup>	Multi-year variable <sup>d</sup>	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration <sup>e</sup>
AnnaCarin Grandin (CEO)	2021	6,782,961 <sup>A</sup>	99,741 <sup>B</sup>	3,347,090	1,072,208	0	1,932,824 <sup>E</sup>	13,234,824	67% / 33%

Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021, as set out in column 8 of Table 2 below (as applicable). Disbursement of any payments may or may not have been made the same year.

<sup>A</sup> Including paid holiday pay but excluding increase/decrease of holiday pay liability.

<sup>B</sup> Company car and health insurance.

<sup>C</sup> One-year variable refers to variable remuneration related to the financial year, paid out the following year.

<sup>D</sup> Vested share awards as set out in column 8 of Table 2 below.

<sup>E</sup> Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

## Share based remuneration

### *Share and share-price related incentive programs outstanding and completed during the year*

Coor’s annual general meeting has adopted three long-term incentive programmes (LTIPs), of which two currently are outstanding (LTIP 2019 and LTIP 2021). The incentive programmes cover a period of three years and require that participants acquire or already hold a certain number of Coor shares, known as investment shares. The participants are divided into three different categories (Category 1, 2 and 3)<sup>1</sup>, for each of which a maximum number of shares has been defined beforehand. Performance shares are allocated free of charge after the vesting period. The number of shares allocated varies among the different categories of participants. The basic criteria for allocation of performance shares are that the participant has remained an employee of the Coor group during the vesting period and has continued to hold his or her Coor shares over that period. The vesting periods for the outstanding programmes will end in connection with the publication of Coor’s interim reports for the first quarter of 2022 (LTIP 2019) and 2024 (LTIP 2021), respectively.

The long-term incentive program LTIP 2018, adopted by the annual general meeting 2018, was completed in April 2021. The performance condition was 100 per cent fulfilled.

Coor’s long-term incentive programs that are outstanding and completed during the year are presented in more detail in p. 88-89 in the annual report 2021.

<sup>1</sup> Category 1 consists of Coor’s CEO. Category 2 consists of members of Coor’s Executive Management Team. Category 3 consists of members of the Top Management Team and other key employees of Coor.

### *Description of performance conditions for the long-term incentive programmes*

In addition to the employment condition, the allocation of performance shares is based on a number of performance conditions. The allocation of share rights depends on the extent to which the defined goals and performance conditions have been met during the performance period concerned. The performance conditions for LTIP 2018, LTIP 2019 and LTIP 2021 are the same, although minimum and maximum levels vary concerning customer satisfaction index.

The performance conditions are divided into three series: Series A, Series B and Series C. See below for a description of the conditions for each series.

#### Series A: Change in customer satisfaction index

If Coor's average customer satisfaction score during the performance period is equal to or below the minimum level of 66<sup>2</sup>, no shares will be allocated. If Coor's average customer satisfaction score is equal to or exceeds the maximum level of 70<sup>3</sup>, 100 per cent of the shares will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

#### Series B: Cumulative adjusted EBITA

If Coor's cumulative adjusted EBITA over the performance period is equal to or below the minimum level, defined as 10 per cent below the cumulative adjusted EBITA targeted in Coor's business plan for the three-year period commencing at the start of each programme, no shares will be allocated. If the percentage change in Coor's cumulative adjusted EBITA is equal to or exceeds the maximum level, defined as 10 per cent above the cumulative adjusted EBITA targeted in Coor's business plan, 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

#### Series C: Relative total shareholder return (TSR) growth

The allocation of shares varies depending on Coor's TSR growth relative to the weighted average of a group of other companies (the "Benchmark Group"). If Coor's cumulative TSR growth over the performance period is equal to or below the weighted average index for the Benchmark Group (the minimum level), no shares will be allocated. If Coor's cumulative TSR growth is equal to or exceeds the weighted average index for the Benchmark Group by more than 6 percentage points (the maximum level), 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

### *The call option programme*

In addition to the share programmes described above, the annual general meeting 2018 resolved to introduce a call option programme, which does not constitute remuneration. For each investment share that was allocated to LTIP 2018, participants in the call option programme were offered to acquire 10 call options for Coor shares at market price. Each call option entitles the holder to purchase one Coor share during three exercise periods at the end of the programme period, but no later than 31 May 2022. A market-based premium was paid to Coor for the call options. The price per share on exercise of the call option is SEK 80.3. The option programme was aimed at members of the

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2. Minimum level is 64 for LTIP 2018 and LTIP 2019.

3. Maximum level is 68 for LTIP 2018 and LTIP 2019.

Executive Management Team and comprises a total of 320,000 options. The call options are freely transferable and are not contingent on continued employment in Coor.

*Remuneration of the CEO in shares*

*Table 2 – Remuneration of the CEO in shares*

Name of Director, position	The main conditions of share award plans					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting Date	5 End of retention period	6 Share awards held at the beginning of the year	7 Awarded <sup>A)</sup>	8 Vested <sup>B)</sup>	9 Subject to performance condition <sup>C)</sup>	10 Awarded and unvested at year end <sup>D)</sup>	11 Subject to a retention period
AnnaCarin Grandin, CEO	LTIP 2018	2018-2020	26 September 2018	26 April 2021	26 April 2021	14,387	0	14,785	0	0	0
								1,072,208 (SEK)			
	LTIP 2019	2019-2021	7 June 2019	April/May 2022	April/May 2022	13,750	0	0	0	14,350	0
	LTIP 2021	2021-2023	31 May 2021	April/May 2024	April/May 2024	0	54,000	0	55,591	0	0
							3,834,000 (SEK)				
						TOTAL 28,137	TOTAL 54,000	TOTAL 14,785	TOTAL 55,591	TOTAL 14,350	TOTAL 0
							TOTAL 3,834,000 (SEK)	TOTAL 1,072,208 (SEK)			

<sup>A</sup> Number and value of share rights awarded at award date. Stated value calculated as the market price per share at the time of award (SEK 71,0) multiplied by the number of awards (54,000).

<sup>B</sup> Number and value of share rights vested on the vesting date. Original number of share rights (13,750) has been recalculated due to dividend compensation. Stated value calculated as the market price per share at vesting (SEK 72.5) multiplied by the number of awards (14,785).

<sup>C</sup> Total outstanding share rights at balance date still subject to performance conditions. Original number of share rights (54,000) has been recalculated due to dividend compensation.

<sup>D</sup> Total share rights awarded but unvested at balance date. Performance period expired on December 31, 2021. Original number of share rights (13,750) has been recalculated due to dividend compensation.

## Compliance with the remuneration guidelines and application of performance criteria

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Coor's remuneration guidelines enable the company to offer the executive management and the CEO a competitive total remuneration. Total remuneration of the CEO during 2021 has complied with the company's remuneration guidelines.

### *Application of performance criteria*

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives, and short-term and long-term business priorities for 2021 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as with the company values.

Set out in Table 3 (a) and (b) below is a description of how the criteria for payment of variable short- and long-term compensation have been applied during the financial year.

*Table 3 (a) – Performance of the CEO in the reported financial year: variable cash remuneration*

Name of Director, Position	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome
AnnaCarin Grandin, CEO	EBITA for the Coor Group, max outcome 30 per cent of base salary. EBITA budget for 2021 is MSEK 555. Bonus is payable if the Adjusted EBITA exceeds the threshold of 85% of the Adjusted EBITA budget and maximum bonus is payable if Adjusted EBITA is 115% of the Adjusted EBITA budget. Between the threshold level and the maximum, the bonus is calculated linearly.	50%	a) 631 b) kSEK 1.865
	New business for Coor Group, maximum outcome 6 per cent of base salary. Bonus is paid with SEK 750 per MSEK in annual sales for organic business. Bonus is payable if the New Business (incl. 1/3 of applicable M&A) exceed the threshold of 0% of the New Business budget and maximum bonus is payable if New Business is 115% of the New Business budget. Bonus is payable pro-rata between the threshold and maximum.	10%	a) 1. Organic business msek 1,213 2. New business msek 1,257 b) kSEK 390
	Working capital, maximum outcome 6 per cent of base salary. The Cash Conversion budget is 90%. Bonus is payable if the Cash Conversion for the Group exceeds the threshold of 80% and maximum bonus is payable if the Cash Conversion is 100%. Bonus is payable pro-rata between the threshold and maximum.	10%	a) 98% b) kSEK 351
	The CSI external target is $\geq 70$ , maximum outcome 6 per cent of base salary. Bonus is payable if the CSI exceeds the threshold of -5 units of the external target and maximum bonus is payable if CSI +5 units of the CSI external target. Bonus is payable pro-rata between the threshold and maximum.	10%	a) 74 b) kSEK 351
	The EMI external target is $\geq 70$ , maximum outcome 6 per cent of base salary. Bonus is payable if the EMI exceeds the threshold of -5 units of the external target and maximum bonus is payable if EMI +5 units of the EMI external target. Bonus is payable pro-rata between the threshold and maximum.	10%	a) 78 b) kSEK 390
	The TRIF external target is $\leq 3,5$ , maximum outcome 6 per cent of base salary. Bonus is payable if the TRIF is less than the threshold of +3,5 units of the external target and maximum bonus is payable if TRIF is -3,5 units of the TRIF external target. Bonus is payable pro-rata between the threshold and maximum.	10%	a) 8,9 b) kSEK 0

Table 3 (b) – Performance of the CEO in the reported financial year: share-based incentives

Name of Director, Position	1 Name of plan	2 Description of the criteria related to the remuneration component	3 Relative weighting of the performance criteria	4 a) Measured performance and b) actual award/ remuneration outcome	
AnnaCarin Grandin, CEO	LTIP 2019	Series A: Customer satisfaction index. If Coor’s average customer satisfaction score during the performance period is equal to or below the minimum level of 64, no shares will be allocated. If Coor’s average customer satisfaction score is equal to or exceeds the maximum level of 68, 100 per cent of the shares will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.	20%	a) 70.7	
		b) kSEK 240*	Series B: Cumulative adjusted EBITA. If Coor’s cumulative adjusted EBITA over the performance period is equal to or below the minimum level, defined as 10 per cent below the cumulative adjusted EBITA targeted in Coor’s business plan for the three-year period commencing at the start of each programme, no shares will be allocated. If the percentage change in Coor’s cumulative adjusted EBITA is equal to or exceeds the maximum level, defined as 10 per cent above the cumulative adjusted EBITA targeted in Coor’s business plan, 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.	60%	a) kSEK 1,736,395
		b) kSEK 705**	Series C: Relative total shareholder return (TSR) growth. The allocation of shares varies depending on Coor’s TSR growth relative to the weighted average of a group of other companies (the “Benchmark Group”). If Coor’s cumulative TSR growth over the performance period is equal to or below the weighted average index for the Benchmark Group (the minimum level), no shares will be allocated. If Coor’s cumulative TSR growth is equal to or exceeds the weighted average index for the Benchmark Group by more than 6 percentage points (the maximum level), 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.	20%	a) 29.3%
		b) kSEK 240*			

Vesting date of LTIP 2021 is in April/May 2024. Performance period of LTIP 2021 expires on 31 December 2023.

\*Based on market price per share at balance date (SEK 82.7) multiplied by the number of expected share awards as of vesting date (2,909). Vesting period still running.

\*\* Based on market price per share at balance date (SEK 82.7) multiplied by the number of expected share awards as of vesting date (8,532). Vesting period still running.

## Comparative information on the change of remuneration and company performance

*Table 4 – Change of remuneration and company performance over the last three reported financial years (RFY) (kSEK)*

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	Remuneration regarding 2021
AnnaCarin Grandin, CEO*	kSEK +1,264 (+12%)	kSEK -1,389 (-12%)	kSEK +2,685 (+25%)	kSEK 13,235
Group operating profit (Adjusted EBITA)	kSEK +59,727 (+12%)	kSEK +6,990 (+1%)	kSEK +74,169 (+13%)	kSEK 630,576
Average remuneration on a full time equivalent basis of employees** of the parent company, i.e. Coor Service Management Holding AB	N/A	N/A	N/A	N/A
Average remuneration on a full time equivalent basis of employees** of Coor Service Management Group AB	kSEK -33 (-4,5%)*	kSEK +11 (+1,5%)	kSEK +3 (+0,2%)	kSEK 730

\* The presented figures include total remuneration for the CEO as reported in table 1. AnnaCarin Grandin is the Group CEO since 1 August 2020. Remuneration reported in Table 4 for FY 2020 (RFY-1) has been recalculated to reflect the full reported financial year for RFY 2020. Remuneration for RFY vs RFY -1 is the difference between AnnaCarin Grandin's recalculated remuneration for 2020 and the remuneration for 2021. Remuneration for RFY-1 vs RFY-2 is the difference between former CEO Mikael Stöhr's remuneration for RFY 2019 and AnnaCarin Grandin's recalculated remuneration for RFY 2020. RFY-2 vs RFY-3 is the difference between former CEO Mikael Stöhr's remuneration for RFY 2019 vs RFY 2018.

\*\* Excluding members of the group executive management. Comparison is based on employees in Coor Service Management Group AB, since there are only members of group executive management employed in Coor Service Management Holding AB. The remuneration is based on average salary for FTE's and includes base salary and holiday pay. Variable remuneration and pensions are excluded.

\*\*\*New category of employees within Coor Service Management Group AB with lower salary explains the decrease in average remuneration per FTE.