

## **Rakotech Group Holding Plc**

### **Rules of procedure for the remuneration committee**

Approved by the board of directors on 18 April 2018

<i>Document Title</i> Rules of Procedure for the remuneration committee	<i>Document Owner</i> Legal Department	<i>Company</i> Rakotech Group Holding Plc		
<i>Author</i> Legal	<i>Approved by</i> The Board of Directors	<i>Date</i> 2018.04.18	<i>Security Class</i> Internal	<i>Version:</i> 1.0

## **1 Introduction**

The Board of Directors (the “**Board**”) of Raketech Group Holding Plc, reg. no. C77421, (the “**Company**”) has appointed a remuneration committee (the “**Committee**”) and authorised the Committee to prepare these Rules of Procedure. These Rules of Procedure – which constitute a supplement to applicable law and the provisions contained in the Company’s Memorandum and Articles of Association and the Swedish Corporate Governance Code (the “**Code**”) – are divided into two areas;

- A. Rules of Procedure**
- B. Distribution of work within the Committee**

## **A. RULES OF PROCEDURE**

### **1 General**

The Rules of Procedure shall be adopted annually.

A copy of these Rules of Procedure shall be provided to each member of the Committee, the Board, the CEO, the HR Director and the Company’s auditors.

### **2 Meetings of the Committee, etc.**

The members of the Committee shall generally be appointed by the constituent meeting of the Board. The Chairman of the Committee shall be appointed by the Board.

The Committee may hold meetings at such times and locations as the Committee may determine, but in no event shall the Committee meet less frequently than annually.

### **3 Notice and documentation**

Notice of ordinary meetings shall be given by the Chairman of the Committee no later than one week prior to the meeting. The background documentation should be distributed at the same time.

Notice of extraordinary meetings shall be given in such good time as is reasonably possible. Any documentation for such a meeting shall be distributed in such good time as is reasonably practicable.

#### **4 Minutes**

Minutes shall be kept from all meetings, in accordance with good stock market practice.

The minutes shall normally be distributed within two weeks.

The minutes shall also be distributed to the Board and the Secretary of the Board. The minutes shall be archived safely and in good order by the secretary of the Board.

### **B. DISTRIBUTION OF WORK WITHIN THE COMMITTEE**

#### **1 Chairman of the Committee**

The Chairman of the Committee shall ensure that the work of the Committee is conducted in an efficient manner and that the Committee fulfils its obligations. The Chairman shall particularly:

- organise and lead the Committee's work, encourage an open and constructive discussion;
- verify that the decisions by the Committee are implemented efficiently;
- see to it that the Committee receives satisfactory information and supporting data for its work; and
- after consulting with the CEO, draw up proposals for agendas for the Committee meetings.

The Chairman of the Committee shall at each meeting with the Board orally report on meetings that have been held. Additionally, he or she shall be responsible for the Committee's annual evaluation of its work, normally as part of the annual evaluation of the Board's work by the Board. The Chairman of the Committee shall ensure that the Committee annually prepares a report of its work during the year which shall be presented to the Board.

#### **2 The Committee's work**

##### **2.1 General**

The Committee shall be composed of at least three members. The Chairman of the Board may also be the Chairman of the Committee. The

other Board members elected by the shareholders' meeting that are members of the Committee shall be independent in relation to the Company and the senior management of the Company. Appropriate knowledge and experience of executive remuneration issues is to exist among the members of the Committee.

The Committee is responsible for ensuring that the Company has a formal process, which is transparent for all Board members, for establishing the Company's policy for remuneration and other terms of employment for senior management and for deciding the CEO's remuneration and other terms of employment. Remuneration and other terms of employment of members of the Board and senior management are to be designed with the aim of ensuring that the Company has access to the competence required at a cost appropriate to the Company.

The Committee shall be responsible for the preparation of the Board's proposal to the annual general meeting of shareholders for Company policy on remuneration and other terms of employment for senior management. The proposal of the Committee shall be timely submitted to the Board in its entirety and shall be for the Board to decide upon. The proposal prepared by the Committee shall be in line with good market practice for listed companies.

Specifically, the Committee shall prepare for decision by the Board:

- salary, other compensation and also pension benefits of the CEO;
- the Company's policy on remuneration and other terms of employment for senior management; and
- share related incentive programs and similar arrangements as well as other reward or compensation forms intended to be directed to a wider circle of persons employed within the Group.

The Committee shall also monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for senior management.

Further, the Committee shall monitor and evaluate the application of the guidelines for remuneration that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the Company.

If the Committee or the Board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the Company or its senior management.

Variable remuneration is to be linked to predetermined and measurable performance criteria aimed at promoting the Company's long term value creation. Further, variable remuneration paid in cash is to be subject to predetermined limits regarding the total outcome.

When designing systems for variable remuneration of senior management that is to be paid in cash, the Board is to consider imposing restrictions which make payment of certain proportion of the remuneration conditional on whether the performance on which compensation is based proves to be substantial over time and which allow the Company to reclaim components of remuneration that have been paid on the basis of information which later proves to be manifestly misstated.

Share- and share-price-related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the Company's shareholders. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the Company is promoted. The vesting period of the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Members of the Board are as a main rule not to participate in programmes designed for senior management or other employees. Remuneration of Board members is not to include share options.

### **3 Information and confidentiality**

Unless the Board otherwise decides, the Chairman of the Board shall deal with issues concerning information from the Committee to external persons.

All information that is provided to the members of the Committee within the framework of the work of the Committee and also information concerning what has occurred or been discussed at meetings of the Committee or in connection with Committee work generally, shall be treated as strictly confidential and may not be disclosed to external

persons except to such officers or consultants of the Group who need such information in order to fulfil their work tasks.