

Remuneration report 2021

Introduction

This report describes how the guidelines for executive remuneration of Ferronordic AB (publ), adopted by the annual general meeting 2021, were implemented in 2021. The report also provides information on remuneration to the CEO and the Deputy CEO and a summary of the Company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Rules on remuneration to senior executives and on incentive programs.

Further information on executive remuneration is available in note 29 (Employees, board and management) on pages 115 - 117 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on pages 56 - 60 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 the corporate governance report and in note 29 on page 115 - 117 in the annual report 2020.

Key developments 2021

The CEO summarises the Company's overall performance in his statement on page 6 in the annual report 2020.

The Company's remuneration guidelines: scope, purpose and deviations

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 can recruit and retain qualified personnel. To this end, the Company must offer competitive remuneration. The Company's remuneration guidelines enable the Company to offer executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, share- or warrant based long-term incentive programs (LTI-Program), pension benefits and other benefits. Variable salaries are paid upon fulfilment of pre-determined and measurable performance criteria, primarily based on the development of the Group as a whole, and/or the part of the group's business that the executive is responsible for. Variable salary for the CEO, as well as other executives, shall not exceed 100% of the fixed salary.

The extraordinary general meeting of the Company held 12 May 2021 resolved to implement a long-term warrant-based incentive plan further described below.

The guidelines are found on page 68 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 guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the Company's compliance with the guidelines is available on www.ferronordic.com

No remuneration has been reclaimed.

Total CEO and Deputy CEO remuneration in 2021 (SEK)

CEO Lars Corneliusson

Fixed remuneration	6 963 574
Variable remuneration	5 720 884
Other benefits	708 945

Deputy CEO Henrik Carlborg

Fixed remuneration	2 800 000
Variable remuneration	2 760 000
Other benefits	-

Warrant-based remuneration

Outstanding warrant-based and share price-related incentive plans

The Company has implemented one warrant-based plan (2021/2024) for the executive management. Warrants have been issued to the participants in the program at market price as per a valuation at the time of issue done by the Company's financial advisor using Black – Scholes option pricing model. Each participant has received compensation from the group-entity by which each participant is employed corresponding to 80%, net of tax, of the value of the warrants. The warrants are subject to a three-year vesting period and are exercisable at the end of the third year after the grant. Vesting of the warrants is subject to the satisfaction of certain performance conditions.

Each warrant entitles the holder to subscribe for one share in Ferronordic AB at a price of SEK 344 during the period commencing on 28 May 2024 and up to and including 28 June 2024.

The CEO has acquired 32,000 and the deputy CEO 15,500 warrants valued at SEK 13.38 each. In total, 364,500 warrants have been granted, which corresponds to 2.5% of the shares in the Company on a diluted basis.

This is Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer of Volvo Construction Equipment, Sandvik Rock Processing Solutions and certain other brands in all of Russia and Kazakhstan, aftermarket partner of Volvo Trucks and Renault Trucks in part of Russia, and dealer of Volvo Trucks and Renault Trucks in part of Germany. The company also offers contracting services where it owns and operates equipment to carry out works for customers. Ferronordic began its operations in 2010 and now has approx. 100 outlets and approx. 1,800 employees. Ferronordic's vision is to be regarded as the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm. <http://www.ferronordic.com/>