

REMUNERATION REPORT 2020

Introduction

This Remuneration Report provides an overview of how Lindab's guidelines for remuneration to senior executives, adopted by the 2020 Annual General Meeting, have been applied during 2020. The report also contains specific information concerning remuneration to Lindab's CEO. In addition, the report also includes a summary of Lindab's outstanding share- and share price-related incentive schemes.

The report does not include remuneration to the Board as decided by the Annual General Meeting. Such remuneration is reported in Note 6 on page 93 of the 2020 Annual Report.

Information required pursuant to Chapter 5, Sections 40–44 of the Swedish Annual Accounts Act (1995:1554) can be found in Note 6 in the 2020 Annual Report.

Information about the work of the Remuneration Committee during 2020 is presented in the Corporate Governance Report, which can be found on page 46 in the 2020 Annual Report.

Development in 2020

The CEO summarises the Company's overall performance in his report on pages 6-7 of the 2020 Annual Report.

Remuneration guidelines

Lindab's remuneration guidelines state that remuneration to the CEO must reflect market conditions and support the Company's long-term strategy. A prerequisite for successful implementation of the Company's business strategy and protection of its long-term interests, including sustainability, is that the Company can secure qualified personnel. To this purpose, the Company needs to offer competitive remuneration.

Remuneration to the CEO consists of fixed salary, variable cash remuneration, occupational pension and other benefits.

The remuneration guidelines adopted by the 2020 Annual General Meeting can be found on page 51 of the 2020 Annual Report. The auditor's report on whether the Company has followed these guidelines is available on the Company's website www.lindabgroup.com.

Total remuneration to the CEO

Table 1 - Total remuneration to the CEO for the 2020 financial year

		Fixed salary	Variable cash remuneration ¹		Benefits	Occupational pension	Other remuneration	Total remuneration
			Annual variable cash remuneration	Long-term variable cash remuneration ²				
Ola Ringdahl President and CEO	TSEK	5,995	1,081	1,084	118	1,694	-	9,972
	Proportion of total remuneration	60%	11%	11%	1%	17%	-	-

Fixed salary includes holiday pay. Benefits include expenses for company cars, including fuel, and health insurance. Variable cash remuneration amounted to 34 per cent of fixed cash remuneration (fixed salary) in 2020. The CEO has not received remuneration from any other company in the Group during the 2020 financial year.

Variable cash remuneration

Annual variable cash remuneration is linked to predetermined and measurable criteria with a clear link to the company's predefined financial targets. Annual variable cash remuneration amounts to a maximum of 50 per cent of the annual fixed cash remuneration. The result of the 2020 scheme is related to the fulfilment of the Group's targets for Net Profit, Organic Sales Growth and Average External Operational Working Capital / Sales. The Board of Directors is responsible for assessing the CEO's result. The result for the 2020 financial year represented 38.1 per cent of the maximum possible amount.

Long-term variable cash remuneration is linked to predetermined and measurable criteria with a clear link to the Company's predefined financial targets. Long-term variable cash remuneration amounts to a maximum of 70 per cent of the annual fixed cash remuneration. The result is related to the achievement of the Group's targets for growth in Earnings per Share (EPS) over a three-year performance period. For any net result, the participant is expected to invest in the Company's shares. The result for the 2020 financial year represented 86.1 per cent of the maximum possible amount.

¹ Refers to variable cash remuneration earned in 2020. [The corresponding amount was paid to the CEO in Q1 2021 for the 2020 performance year.]

² Long-term variable cash remuneration includes incentives to reinvest long-term cash bonuses in equity-related instruments in Lindab International AB.

Outstanding option programme

In addition to remuneration, the CEO is entitled to participate in Lindab's option programme. Under this programme, the CEO is offered the opportunity to acquire options on market terms. In 2020, Lindab had three outstanding option schemes that included the CEO, which are described below. There have been no changes to the terms and conditions since publication.

Warrant programme

2018 warrant programme: includes four senior executives (including the CEO). Participants are invited to acquire options on market terms. Each warrant entitles the holder to acquire one (1) share in Lindab. Under the programme, 40,000³ warrants were acquired by the CEO during the year. Subscription of shares in Lindab based on warrants shall be possible from the day after Lindab publishes the interim report for the period 1 January - 30 June 2021 and up to and including 31 August 2021 at a price of SEK 86.4.

Call option programme

2019 call option programme: includes six senior executives (including the CEO). Participants are invited to acquire options on market terms. Each call option shall be entitled to acquire one (1) share in Lindab. Under this programme, 100,000 call options were acquired by the CEO. Acquisition of shares in Lindab based on call options shall be possible from the day after Lindab publishes the interim report for the period 1 January - 30 June 2022 and up to and including 31 August 2022 at a price of SEK 120.

2020 call option programme: includes six senior executives (including the CEO). Participants are invited to acquire options on market terms. Each call option shall be entitled to acquire one (1) share in Lindab. Under this programme, 100,000 call options were acquired by the CEO. Acquisition of shares in Lindab based on call options shall be possible from the day after Lindab publishes the interim report for the period 1 January - 30 June 2023 and up to and including 31 August 2023 at a price of SEK 101.9.

³ A total of 135,000 warrants were subscribed for by senior executives. 25,000 of the warrants issued have been returned to Lindab by former senior executives. These warrants were repurchased at market value.

Comparative information about the change in remuneration and the Company's performance

Table 2 - Change in remuneration and Company's performance over the last five reported financial years

Annual change	2015 vs 2016	2016 vs 2017	2017 vs 2018	2018 vs 2019	2019 vs 2020
Remuneration, CEO⁴					
Annual change in total remuneration	29% ⁵	119% ⁶	-20% ⁷	19% ⁸	-20% ⁹
Company's performance trends¹⁰					
Net Profit	1%	13%	14%	72%	-12%
Annual change in average remuneration paid to other employees (FTE)					
Lindab Group ¹¹	0%	5%	8% ¹²	5%	-5% ¹³

Reclaiming of remuneration

The Board has the option to reduce or reclaim remuneration paid, which has not happened during the year.

Implementation of guidelines

There were no deviations from the guidelines during the year. The Board of Directors and the Remuneration Committee have dealt with remuneration in accordance with the process and principles set out in the guidelines.

Båstad, March 2021
Lindab International AB (publ)
Board of Directors

⁴ The change in total remuneration relates to the annual change in the sum of all remuneration components as reported in Table 1.

⁵ The increase can be attributed to a higher level of variable cash remuneration for the 2016 performance year compared with the previous year.

⁶ The CEO resigned his position on 28 September 2017. The acting CEO took up the post on 28 September 2017. When the previous CEO left, salary and occupational pension were paid during the period of notice. The total amount is reported in 2017. Total remuneration 2017 refers to remuneration paid to the previous and acting CEO.

⁷ The acting CEO resigned his position on 18 June 2018. The current CEO took up the post on 18 June 2018. Total remuneration 2018 refers to remuneration paid to the acting and current CEO.

⁸ The current CEO took up the post on 18 June 2018 and received a higher total remuneration than the remuneration paid to the previous CEO and acting CEO in the previous year.

⁹ The decrease can be attributed to a lower level of variable cash remuneration for the 2020 performance year. During the period from 1 April 2020 to 31 August 2020, the CEO voluntarily sacrificed part of his gross salary owing to Covid-19.

¹⁰ For more detailed information about the annual changes in profit/loss for the year and other relevant key ratios, see page 5 and the Directors' Report on page 60 ff of the 2020 Annual Report.

¹¹ Total remuneration for all other employees in the Lindab Group divided by the number of full-time equivalents in the respective year.

¹² The annual change in total remuneration is partly attributable to a greater currency effect between 2017 and 2018 than normal, and partly because the variable cash remuneration for both management and others was significantly higher in 2018 than in 2017.

¹³ The annual change in total remuneration is attributable to the absence of a salary review in 2020, as well as a lower level of variable cash remuneration for the 2020 performance year owing to Covid-19.