

## **The Board's proposal for guidelines on remuneration and other terms of employment for senior executives.**

The Board of Directors of Systemair AB (publ) proposes that the Annual General Meeting resolves on the following guidelines for the determination of salary and other remuneration to senior executives. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the proposed adoption of these guidelines by the 2023 annual general meeting. The guidelines do not cover remuneration decided by the General Meeting.

For information on the company's business strategy, see the company's website: [group.systemair.com/](http://group.systemair.com/)

The ability to recruit and retain qualified employees is essential for successful implementation of the company's business strategy and the safeguarding of its long-term interests, including its sustainability. Remuneration to senior executives shall – based on the conditions in the market in which the Company operates and the environment in which the particular executive works – be competitive, enable the recruitment of new executives and help to ensure that senior executives remain with the Company. "Senior executives" refers to the President and other members of Group Management.

The system of remuneration shall consist of a fixed salary and pension but may also include variable salary and benefits such as a company car. In addition to the above, special incentive programmes approved by the AGM may apply.

Fixed salary and benefits shall be determined individually based on the aforementioned criteria and the specific competence of the particular executive.

Variable pay is based on the company's performance with the aim of promoting the company's strategy, long-term value creation and sustainability. Compliance with the criteria for the payment of variable cash compensation must be measurable over a period of one year. The variable portion is paid as a proportion of the fixed salary and may amount to no more than 40 percent of the annual salary for the CEO, 25 percent for other senior executives and 15 percent for key individuals.

As a principle, pensions shall be premium-based and shall not exceed 35 percent of the fixed annual salary. The size of the pension shall adhere to the same criteria as above and shall be based on the fixed annual salary.

Other benefits may include, but are not limited to, health care, life insurance, medical insurance and car benefits. The total amount of such benefits may not exceed 10 percent of the fixed annual salary.

### **Notice of termination and severance payments**

The President's employment may be terminated with 12 months' notice by the Company or six months' notice by the President. For other senior executives, the period of notice is as stated in the applicable collective bargaining agreement or is no more than 12 months from the Company

or six months from the employee. No other agreements entitle the President or other senior executives to severance pay.

### **Salary and terms of employment for employees**

In preparing the Board's proposal for these remuneration guidelines, the remuneration and employment conditions of the Company's employees have been taken into account by including data on the total remuneration of employees, the components of remuneration and the increase and rate of increase of remuneration over time as part of the Board's decision-making basis when evaluating the appropriateness of the guidelines and the limitations resulting from them.

### **Decision-making process for establishing, reviewing and implementing the guidelines**

The Board has established a remuneration committee. The committee's tasks include presenting proposals for guidelines for remuneration to senior executives. The Board shall draw up proposals for new guidelines at least every four years and submit the proposal to be resolved at the Annual General Meeting. The guidelines shall remain in force until new guidelines are adopted by the General Meeting. The Board shall also monitor and assess programmes for variable remuneration to senior management, compliance with guidelines on remuneration to senior executives, and current structures and levels of remuneration in the Company. 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.

### **Share-based and share-price-based incentive programmes**

Share-based and share-price-based incentive programmes shall be submitted to the AGM for approval.

### **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 stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration issues, including decisions on derogation from the guidelines.

### **Shareholders' views and significant changes in the guidelines**

The proposed guidelines to be presented at the 2023 AGM do not entail any material changes to the company's existing remuneration guidelines, other than certain clarifications. The Company has not received any comments from shareholders on the existing guidelines for the remuneration of senior executives.

Skinnskatteberg, July 2023, Sweden

Systemair AB (publ)

Board of Directors