

Remuneration report



Remuneration report 2021

Introduction

This report describes how the guidelines for remuneration to the CEO of Instalco AB, adopted by the 2021 AGM, were applied in 2021. The report contains information on remuneration to the CEO, along with any outstanding share-related incentive programmes that are currently in place. The report was prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes. Other information on remuneration to senior executives can be found in Note 5 (Salaries and remuneration to employees) on pages 82-83 of the 2021 Annual Report. Information about Board of Directors' work with remuneration in 2021 can be found in the Corporate Governance Report on pages 58-64 of the 2021 Annual Report. Board fees are not covered in this report. Board fees are decided each year at the AGM and are reported in Note 5 on pages 82-83 of the 2021 Annual Report.

Performance in 2021

The CEO has summarized the company's performance on pages 3-4 of the 2021 Annual Report.

The Company's guidelines: application areas, goals and deviations

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability agenda, presupposes that the Company can recruit and retain qualified employees. The Company needs to offer competitive remuneration in order to do this. The Company's remuneration guidelines make it possible for senior executives to be offered competitive total remuneration packages.

According to the remuneration guidelines, remuneration to each senior executive must be competitive and it shall be comprised of: fixed cash salary, variable cash salary, pension benefits and other benefits. In accordance with the summary below:

Fixed remuneration (salary)

Salary is competitive in accordance with well-established statistics on salaries for the local market.

Variable remuneration

There must be an upper limit for variable cash remuneration and it must be set in relation to the fixed salary. The maximum is 50% of the fixed annual cash salary. The variable cash remuneration must be linked to pre-determined, measurable criteria, which can be financial, or non-financial.

Pension

According to the Board's assessment, a pension commitment shall be made that is in line with what is customary in the Swedish market.

Other benefits

Any commitment for termination or severance pay is stated in the employment contract and it must be in accordance with what is stipulated in the Swedish Code of Corporate Governance. Other benefits constitute a limited value.

The guidelines are reported on pages 61-61 of the 2021 Annual Report. There have been no deviations from the decision process which, according to the guidelines, must be applied for fixed remuneration.

Table 1 - The CEO's total remuneration in 2021 (SEK thousands)

Name of the senior executive (position)	Salary including vacation pay	Benefits, including company car, etc.	Pension	Total remuneration
Per Sjöstrand (CEO through 2021-08-31)	2,188	59	456	2,703
Robin Boheman (CEO as of 2021-09-01)	1,082	32	749	1,862

Outstanding share-related incentive programmes

Instalco does not have any current, ongoing performance-based incentive programmes for senior executives or key individuals.

Salary trend over the last 5 years

Tabell 2 - Changes in remuneration and the company's earnings over the last 5 reported financial years (SEK millions)

	2017 compared to 2016	2018 compared to 2017	2019 compared to 2018	2020 compared to 2019	2021 compared to 2020	Total 2021
Per Sjöstrand (CEO through 2021-08-31)	+1.5 (+152%)	+0.7 (+29%)	-0.1 (-4%)	+0.7 (+21%)	+0.3 (+7%)	4.1*
Robin Boheman (CEO as of 2021-09-01)	N/A	N/A	N/A	N/A	N/A	5.8*
The Group's operating profit	+104 (+74%)	+90 (+37%)	+158 (+47%)	+112 (+23%)	+118 (+20%)	722
Average remuneration for a full-time employee of the Group	+0.1 (+19%)	+0.0 (+4%)	+0.0 (+1%)	-0.0 (-1%)	+0.0 +2%	0.5

*Total remuneration calculated for 12 months