

This document is a translation of the Swedish original. In the event of discrepancies, the Swedish original shall prevail

Guidelines for determining salaries and other remuneration for senior management

Holmen's strategy is to own and add value to the forest. Holmen's forest holdings form the basis of the business in which the raw material grows and is refined into everything from wood products for climate-smart building to renewable packaging, magazines and books, using energy that largely comes from its own hydro and wind power.

Successful implementation of the company's business strategy, long-term interests and sustainability requires the company to be able to attract the right employees. This guideline is intended to provide Holmen with the conditions to recruit and retain skilled employees.

The forms of compensation

In the company, long-term share-related incentive programs are established from time to time. These are decided by the general meeting and are therefore not covered by these guidelines. For more information on these refers to www.holmen.com

Remuneration to senior executives must be market-based and competitive in the market in which the executive operates and be related to the executive's responsibilities, authority, and performance. Remuneration may consist of fixed salary, variable remuneration, other benefits, and pension.

Variable remuneration shall aim to motivate and reward value-creating efforts that support the company's business strategy, sustainability, and long-term interests. The variable compensation must be calculated on outcomes in relation to measurable goals and not exceed 50% of the fixed annual salary. Fulfillment of criteria for the payment of variable remuneration must under normal circumstances be able to be measured annually.

Other benefits may include, healthcare insurance, housing benefit and car benefit. Such benefits shall, where they occur, constitute a maximum of 10% of the fixed salary.

The retirement age shall normally be 65 years. The pension benefit paid shall be premium-based and normally amount to 30% of the fixed salary.

Notice and severance pay

The period of notice shall be six months, whether at the initiative of the company or the employee. In the event of notice being given by the company, severance pay can be paid in an amount corresponding to no more than 18 months' salary.

Consideration of salary and employment terms for other employees

In formulating its proposals for these remuneration guidelines, the Board has considered salaries and employment terms of the company's other employees, by including information about employees' total remuneration, the components of such remuneration and the increase in remuneration and the rate of increase over time, which have constituted part of the basis for decisions in evaluating the reasonableness of these guidelines.

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

The Board has established a remuneration committee. The committee's duties include preparing the Board's decision on proposed remuneration guidelines for senior management. Under Chapter 8, § 51 of the Swedish Companies Act, the Board must draft proposed new guidelines at least every four years and put such proposal to the Annual General Meeting. The remuneration committee must also monitor and evaluate the application of the guideline and applicable remuneration structures and levels in the company. Members of the remuneration committee must be independent in relation to the company and its senior management. The CEO and other members of senior management do not attend the Board's discussion of and decisions on remuneration-related matters if such matters relate to them.

Deviation from the guidelines

The Board may decide to temporarily deviate from the guidelines in full or in part if, in an individual case, there are reasons for so doing and deviation is necessary in the long-term interests of the company, including its sustainability, or to ensure the company's financial viability.

Significant amendments to the guidelines 2023

In the 2023 review of these guidelines, forms and limitations for variable compensation have been regulated, otherwise no significant changes have been implemented. Shareholders have not submitted comments on the previous version of the guidelines.

