

Evaluation of the employee remuneration system by the board of directors of Eastnine AB (publ)

This is an unofficial translation of the Swedish evaluation. In case of any discrepancies between the Swedish evaluation and this English translation, the Swedish evaluation shall prevail.

Background

In light of the limited number of employees in the company, the Eastnine board has concluded not to have a separate remuneration committee. The duties ascribed to the remuneration committee are therefore carried out by the board as a whole. In accordance with the requirements of the Swedish Corporate Governance Code, the board regularly reviews Eastnine's remuneration guidelines and performs an evaluation of the same. This was the case again this year.

The Objective of Eastnine's Remuneration System

Eastnine presents the company's remuneration system, including variable remuneration and remuneration guidelines for its senior management, in its annual report (see Eastnine's 2019 Annual Report pages 37, 51 and 74). Eastnine strives to offer a competitive remuneration system that enables it to recruit, retain and motivate its employees to the benefit of Eastnine's long-term shareholder value.

Variable Remuneration for Senior Management

The current cash-based variable remuneration is intended to encourage and reward performance that positively affects the company's earnings and to create incentives for a positive share price development. The board considers the measures of variable remuneration for senior management to be working as intended. This is evidenced by the fact that Eastnine has been able to recruit and retain talent needed to carry out its business. However, the importance of Eastnine being able to offer an attractive remuneration system remains high.

Guidelines for Remuneration to Senior Management

Eastnine has well established guidelines which aim to provide an opportunity for the board to compensate the company's senior management in accordance with its stated remuneration system. The board considers the guidelines to be well designed, and considerable efforts have been made to ensure that the remuneration structures are based on clear and well established rules.

Remuneration Structures and Levels of Remuneration

Eastnine's aim to recruit and motivate employees in its organization has been met overall, and the board considers the remuneration structures and levels in Eastnine well adapted to meet its above-stated goals.

The Board of Director's proposal to guidelines for Remuneration to Senior Management

Due to new EU rules on shareholders' rights that have been implemented through amendments to the Swedish Companies Act and the Swedish Code of Corporate Governance the remuneration guidelines in the Board's proposal differ from the guidelines adopted by the Annual General Meeting 2019.

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Stockholm in April 2020
EASTNINE AB (publ)
Board of Directors