

Remuneration report

This remuneration report provides an outline of how Haldex AB (publ) (“Haldex or the “Company””) guidelines for executive remuneration (the “remuneration guidelines”), adopted by the Annual General Meeting 2020, have been implemented in 2020. The report also provides details on the remuneration of Haldex’s CEO.

Introduction

The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (applicable from 1 January 2021) issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 9 on p. 60 in the Company’s Annual Report for 2020.

Information on the work of the Remuneration Committee in 2020 is set out in the Corporate Governance Report, which is available on p. 90 - 94 in the Annual Report 2020. Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 9 on p. 60 in the Annual Report 2020.

Key developments 2020

The CEO summarizes the Company’s overall performance in her statement on pages 8 - 9 in the Annual Report 2020.

The company’s remuneration guidelines: scope, purpose and deviations

Remuneration and other terms of employment for members of the executive management within the Haldex Group shall be balanced, in accordance with market practice and competitive on the geographical market where the member of the executive management operates, with respect to structure, scope and compensation levels. The remuneration guidelines are set with the purpose of enabling the Company to attract and retain competent members of the executive management and other employees in short- and long-term perspective, which is a prerequisite for the successful implementation of the Group’s business strategy, safeguarding its long-term interests and achieving the Group’s sustainability goals. To this end, the Company must offer competitive remuneration. The Company’s remuneration guidelines enable the company to offer executives a competitive total remuneration. Under Haldex’s remuneration guidelines, remuneration of executive management may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

The variable salary should be based on individual performance and be connected to pre-determined and measurable criteria, which also should contribute to the Company’s strategy and goals, such as sales, operating margin and return on capital employed (ROCE). The purpose of the variable remuneration is to motivate the executive management to achieve the set goals and thereby contribute to meeting the company’s business strategy, long-term interests, and sustainability goals.

During 2020, the board resolved to cancel all incentive programs, due to the financial situation of the Company. No criteria for payment of variable short- and long-term compensation were established

or applied during the financial year. No variable salary has therefore been paid to the CEO during 2020.

The remuneration guidelines, adopted by the annual general meeting 2020, can be found on the company's website (link below). The auditor's report regarding whether the company has complied with the guidelines is also available on the company's website <https://www.haldex.com/en/corporate/>.

During the financial year 2020 the remuneration guidelines adopted by the annual general meeting 2020 and the decision-making process which is to be applied in order to set compensation according to the guidelines have been followed without any deviations. Remuneration to executive management has been paid in accordance with the guidelines. No remuneration has been reclaimed.

Total remuneration

*Table 1 – Total remuneration of the CEO in 2020 (kSEK)**

Name and director (position)	Fixed remuneration		One-year variable remuneration	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
	Base salary	Other benefits					
Helene Svahn, CEO	4 296	97**	0	0	824***	5 253	Fixed 100 % Variable 0 %

* The table reports remuneration earned in 2020. Disbursement of any payments may or may not have been made the same year.

** Includes car allowance, health insurance and other employment benefits provided to the employees in the Company

*** Only the fixed salary qualifies for pension benefits.

Share based remuneration

The Company has not had any outstanding share or share-price related incentive programs since 2017. The long-term incentive programs, which have been implemented since then, have only included remuneration in cash.

Comparative information on the change of remuneration and company performance

*Table 2 - Change of remuneration and company performance (kSEK)**

	2020 vs. 2019	2020
<u>Directors remuneration</u>		
Helene Svahn, CEO**	+ 273 (+6,7%)	5 253
<u>Group performance ***</u>		
Growth	-15,0%	-20,0%
EBIT	-4,5%	-2,5%
EBITDA	0,8%	7,5%
ROCE	-4,4%	5,0%
<u>Average remuneration on a full-time equivalent basis of employees</u>		
Employees of the Company****	2,1%	921

** Although the reporting obligation did not yet apply for the financial year 2019, the Company has chosen to provide information about the change in remuneration between the financial years 2019 and 2020 since the information is readily available also for 2019. However, the Company does not have information relating to previous financial years readily available.*

*** Appointed CEO since 3 June 2019. The remuneration for 2019 has been enumerated to reflect the total remuneration Helene Svahn would have received if she had been employed the whole financial year 2019.*

**** Performance of the Haldex Group.*

***** Excluding remuneration to the CEO.*