

## **Remuneration report 2020**

### Introduction

This report describes how the guidelines for executive remuneration of Concordia Maritime AB, adopted by the annual general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 4 (Employees and personnel costs) on page 65 in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report available on pages 85-94 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 4 on page 65 in the annual report 2020.

### Key developments 2020

The CEO summarizes the company's overall performance in his statement on pages 5-6 in the annual report 2020.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. 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 the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on page 48 in the annual report 2020. During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on <https://www.concordiamaritime.com/en/about-us/governance/>. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

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

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary**	Other benefits***	One-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration****	
Kim Ullman (CEO)	4,039	58	897	0	1,727	6,720	87/13	

\* Due to some amounts in note 4, employees and personnel expenses, in the annual report being accrued, this table will not be fully reconcilable to amounts in the annual report.

\*\* Including holiday pay of kSEK 386

\*\*\* Car and housekeeping benefit

\*\*\*\* Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration

### Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

**Table 2 - Performance of the CEO in the reported financial year: variable cash remuneration**

Name of director (position)	1	2	3
	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Kim Ullman (CEO)	Fulfillment of all covenants	50%	a) All covenants fulfilled b) kSEK 472
	LTIF Vetting remarks average fleet	10%	a) LTIF 0.7, Vetting <4 b) kSEK 47
	P-Max employment in niche trades	20%	a) 7 b) kSEK 189
	Optimization of P-max fleet	20%	a) 100% b) kSEK 189

Comparative information on the change of remuneration and company performance

**Table 3 – Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)\***

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2020
CEO remuneration	+1,016 (+13%)	-1,491 (-24%)	+1,014 (+14%)	+161 (+2%)	-624 (-9%)	<b>6,720</b>
Group operating profit	-126,900 (-153%)	-707,300 (-113%)	+494,500 (+380%)	-130,100 (-32625%)	33,000 (101%)	<b>32,600</b>
Average remuneration on a full time equivalent basis of employees** of the parent company	+33 (+6%)	+6 (+1%)	-116 (-27%)	+127 (+23%)	-146 (-36%)	<b>406</b>

\* In order to be able to compare the remuneration and company performance over the last five years, the amounts from note 4, employees and personnel expenses, in the annual reports for each of the years RFY-1 to RFY-5.

\*\* Excluding members of the group executive management

Gothenburg in March, 2021

**Concordia Maritime AB (publ)**

***The Board of Directors***