



1 December 2020

INSTRUCTION 1-2020

From 1 January 2021, Rules 9.4-9.9, the final paragraph of the introduction to Chapter 10 and Rules 10.5—10.6 of the Swedish Corporate Governance Code, (“the Code”) no longer apply. These changes are a result of the new Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (“the Remuneration Rules”), which come into force on that date. The Remuneration Rules replace the previous self-regulation rules on remuneration to senior executives and on share and share price-related incentive programmes.

When the new Remuneration Rules come into force on 1 January 2021, Code rules 9.4-9.9, the final paragraph of the introduction to Chapter 10 and Code rules 10.5-10.6 will no longer apply. These rules, with some changes as outlined below, have been moved to the Remuneration Rules.

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| Rule 9.4 | Removed with reference to Chapter 8, Section 52, second paragraph, item 3 of the Swedish Companies Act. |
| Rule 9.5 | Moved to the new Remuneration Rules – Rule III.1, second paragraph, item 10, with commentary. |
| Rule 9.6 | Moved to the new Remuneration Rules – Rule II.2. |
| Rule 9.7 | Moved to the new Remuneration Rules – Rule III.1, second paragraph, item 9, with commentary, and Rule II.3, as well as the commentary on Rule II.4. |
| Rule 9.8 | Removed with reference to Chapter 8, Section 52, second paragraph, item 2 of the Swedish Companies Act and the requirement regarding remuneration guidelines. |
| Rule 9.9 | Moved to the new Remuneration Rules – Rule IV.1 |
| Introduction to Chapter 10 | The final paragraph on the availability of the remuneration report on the company’s website has been removed with reference to the second paragraph of Chapter 7, Section 62 of the Swedish Companies Act. |
| Rule 10.5 | Moved to the new Remuneration Rules – Rule IV.2, first paragraph. |
| Rule 10.6 | Moved to the new Remuneration Rules – Rule IV.2 second paragraph. |

The Remuneration Rules are mainly a codification of the Swedish Securities Council’s accepted practice regarding incentive programmes. Before the Remuneration Rules enter into force, the Swedish Securities Council will announce how its previous rulings on incentive programmes are to be applied in relation to the Remuneration Rules.

The full text of the Remuneration Rules is available on the Swedish Corporate Governance Board's website, www.bolagsstyrning.se.

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The Swedish Corporate Governance Board is one of four bodies that constitute the Association for Generally Accepted Principles in the Securities Market, which oversees self-regulation within the securities market. For more information, see www.godsedpavpmarknaden.se.

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