

Remuneration report 2020

Introduction

This report describes how the guidelines for remuneration to senior executives of the Thule Group AB, adopted by the 2020 Annual General Meeting (AGM), were applied during the year 2020. The report also contains information on remuneration to the CEO and a summary of the company's outstanding incentive programme. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's "Rules on remuneration to senior executives and on incentive programmes".

Additional information on remuneration to senior executives is given in Note 11 on page 120 of the Annual Report for 2020. Information on the work of the Remuneration Committee during 2020 is given in the corporate governance report on page 85 of the Annual Report for 2020. Board fees are not covered in this report. Such fees are decided annually by the Annual General Meeting and are reported in Note 11 on page 120 of the Annual Report for 2020.

Developments during 2020

The CEO has summarised the company's overall results in his report on pages 9 - 11 of the 2020 Annual Report.

Thule Group AB's guidelines for remuneration to senior executives

The starting point in the remuneration to Group management shall be based on the Company's long-term sustainability on the basis of a business financial development and organisational structure to satisfy a business approach that is suited to the Company's strategic objectives. The remuneration shall also stimulate a sustainable and favourable value development for Thule Group's share, which benefits the shareholders, and to satisfy the Company with the right competence and resources at any given time.

This requires the company to be able to offer competitive remuneration. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: annual base salary, short term incentive payment, pension benefits and other benefits. The short term incentive payment must be linked to financial or non-financial criteria. They can consist of individualised quantitative or qualitative goals. The criteria must be formulated so that they promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development. The guidelines for remuneration to senior executives are given on page 122 of the Annual Report for 2020.

In 2020, the company followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines shall be applied to determine the remuneration. The auditor's opinion on the company's compliance with the guidelines is available on the company's website www.thulegroup.com. No remuneration has been claimed back. In addition to the remuneration covered by the remuneration guidelines, the company's AGMs have decided to introduce long-term warrant incentive programmes.

Total remuneration to the CEO for 2020

Remuneration and benefits 2020, SEK thousand	Basic salary incl. change in vacation pay liability	Variable remuneration incl. stay-on bonus payment	Pension expenses	Other remuneration	Total
Chief Executive Officer					
Magnus Welanders	8,167	9,181	2,699	619	20,666

Incentive programme

The Annual General Meeting resolved to implement a new warrant programme for senior executives and key personnel in Thule Group in 2020, which followed the guidelines in a previous incentive programme that expired in 2020. The programme is designed so that the participants' incentives correspond to the shareholders' interests, and to motivate and retain senior executives. The programme comprises 2,090,000 warrants that have been issued to Thule AB for further transfer to the participants. The warrants have been transferred at market price and the programme currently comprises 31 employees. More detailed information about the incentive programme is given in Note 11 of the Annual Report on page 120.

Within the framework of the incentive programme, the participants must be able to receive a stay-on bonus in the form of a gross salary supplement from the company that in total corresponds to the amount that the participant has paid for the warrants and assumes that, at the time of disbursement, the participant remains in employment within the group and has not resigned his employment.

Regarding the previously ongoing incentive programme, the warrant series 2017/2020 ended during the year. This has meant that the number of shares in the company has increased by 1,353,830 and SEK 262 million has been raised through a share issue.

The Chief Executive Officer's holding of warrants in Thule Group AB

Warrants 2020	Opening balance, warrants outstanding	Warrants acquired during the year, serie 2020/2023	Warrants exercised during the year	Warrants that matured during the year	Closing balance, warrants outstanding
Chief Executive Officer					
Magnus Welanders	375,000	204,498	-375,000	-	204,498

Application of the performance criteria of the short term incentive payment

For the CEO, the variable cash remuneration has only been linked to the Company's financial results and development. The financial targets were set based on the Company's short- and long-term business goals regarding EBIT development, sales growth and cash flow. The targets for 2020 have been linked to EBIT (40%) and organic sales growth (30%) for total Thule Group, contribution profit for Region Europe & RoW (20%) and cash flow for total Thule Group (10%).

Intervals for earning bonuses where the maximum earning level must fall when exceeding the current year's budgeted results are decided by the Remuneration Committee.

Malmö, March 2021

The Board of Thule Group AB (publ)