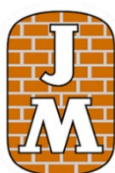
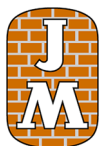


2020 REMUNERATION REPORT





Introduction

This remuneration report describes how JM AB's guidelines for remuneration to senior executives, adopted by the 2020 Annual General Meeting, have been applied in 2020. The report also contains specific information regarding remuneration to JM AB's President and a summary of outstanding convertible programs. 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.

The report does not include remuneration to the Board of Directors that is resolved by the Annual General Meeting. Such remuneration is reported in Note 3 on pages 96–97 of the 2020 Annual Report.

Additional information on remuneration to senior executives is included in Note 3 (Employees and personnel costs) on pages 96–97 of the 2020 Annual Report. Information on the work of the Compensation Committee in 2020 is included in the Corporate Governance Report on pages 122–131 of the 2020 Annual Report.

Developments in 2020

The President summarizes the Company's overall results in its report on page 2 of the 2020 Annual Report.

Guidelines for remuneration

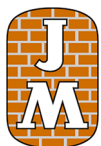
A successful implementation of the Company's business strategy and the protection of the Company's long-term interests, including its sustainability, requires that the Company can recruit and keep qualified employees. This in turn requires that the Company offer competitive remuneration. JM's guidelines make it possible to offer senior executives competitive total remuneration.

According to the remuneration guidelines, remuneration to senior executives should be competitive and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, and other benefits. The variable cash remuneration should be linked to financial or non-financial criteria. The financial criteria are defined using JM's segment reporting. They can consist of individually adapted quantitative or qualitative targets. The criteria should be designed such that they promote the Company's business strategy and long-term interests, including its sustainability, by, for example, having a clear link to the business strategy or promoting the senior executive's long-term development.

The basis for remuneration to senior executives is the fulfillment of financial targets, customer satisfaction, and individual performance. A prerequisite for the payment of remuneration is compliance with policies, guidelines and JM's Code of Conduct. Remuneration covered by these guidelines should aim to promote the Company's business strategy and long-term interests, including its sustainability.

The guidelines are available on pages 80–81 of the 2020 Annual Report.

In addition to the remuneration that is subject to the remuneration guidelines, the Company has offered all employees in Sweden, including executive management, the possibility of subscribing to convertible debentures. The Company intends to continue with this offer in the future. The programs are resolved on by the general meeting and therefore are not subject to the guidelines for senior executives at JM.



In 2020, the Company applied the applicable remuneration guidelines adopted by the general meeting. No deviations were made from the guidelines, and no deviations were made from the decision-making procedure that pursuant to the guidelines must be applied when determining remuneration. The auditor's statement on the Company's compliance with the guidelines for remuneration is available at www.jm.se/en under the tab Corporate Governance. The Board of Directors has neither reduced nor demanded repayment of dividends paid during the year.

Total remuneration to the President

The following table shows the total remuneration to JM AB's President in 2020.

Table 1 – Total remuneration to the President

		Basic salary ³⁾	Single-year variable cash remuneration ²⁾	Multi-year variable cash remuneration ²⁾	Share-based remuneration	Benefits ³⁾	Occupational pension	Other remuneration	Total remuneration ¹⁾
Johan Skoglund, President	TSEK	6,791	2,708	928	–	140	2,330	-	12,897
	Percentage of total remuneration	52.6%	21.0%	7.2%	0%	1.1%	18.1%	0%	100%

1) The reported short-term remuneration refers to the amount attributable to 2020 and that will be paid in 2021.

2) The reported long-term remuneration is attributable to the financial years 2018–2020 and will be paid in 2021. Amounts attributable to 2020 in addition to the above are the 2019–2021 program with payment in 2022 and the 2020–2022 program with payment in 2023. The maximum outcome for the President in the 2019–2021 program is SEK 2,671,000 and in the 2020–2022 program SEK 2,797,000.

3) Benefits consist of a company car, fuel, health care insurance and lunch subsidies.

4) Fixed remuneration consists of basic salary, benefits and occupational pension. Fixed/variable remuneration ratio=72%/28%.

5) The amounts presented in the table do not include the change in the vacation pay liability. At year-end, the vacation pay liability amounted to SEK 1,361,000.

6) In the 2020 Annual Report and Note 3 Remuneration (table), the short- and long-term remuneration for the President refers to variable remuneration for 2019 (paid out in 2020) and multi-year variable cash remuneration for the program 2017–2019 (paid out in 2020). The remuneration note in the annual report provides information on single-year and multi-year remuneration to the President for 2020 as well (to be paid in 2021) under "Remuneration to the President and Executive Management."

Single-year – variable cash remuneration

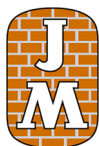
Performance criteria for the President's variable remuneration was selected to realize the Company's strategy and encourage behavior in the best long-term interests of the Company. When selecting the performance criteria, the strategic targets and the short- and long-term business priorities for 2020 were considered. The non-financial performance criteria further contribute to greater customer satisfaction, which is the basis for a sustainable and profitable business.

The President's single-year variable salary program is based on earnings targets before tax, earnings per share, and the customer satisfaction index. These criteria constitute 60, 30 and 10 percent, respectively, of the maximum remuneration possible. The targets are set annually by the Compensation Committee. The outcome for the 2020 financial year amounted to 97.6 percent of the maximum possible outcome.

Multi-year – variable cash remuneration

Performance criteria for the President's program for multi-year variable remuneration are based on fulfillment of profit targets before tax. This target was also selected to realize the Company's strategy and to encourage behavior in the best long-term interests of the Company.

The President's multi-year variable salary programs stretch over a three-year period. At the beginning of Year 1, an earnings target before tax is set that must be achieved in Year 3 to result in maximum outcome. A qualification level is also set and allows for a 20 percent outcome. The outcome between the qualification level and the maximum outcome level is calculated linearly. The maximum outcome is 42% of the fixed



annual salary. The guidelines for the multi-year program are presented by the Board of Directors and subject to resolution by the Annual General Meeting. The outcome for the 2020 financial year amounted to 35.8 percent of the maximum possible outcome.

Comparatives on the change in remuneration and the Company's profit/loss

Table 2 – Change in remuneration and profit/loss during the past five reported financial years

Annual change	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020
Annual change in President's total remuneration ¹⁾	22.7%	3.1%	-16.3%	-0.9%	21%	12,897,000
Consolidated profit/loss before tax (segment reporting)	28.5%	32.2%	-29.5%	6.1%	1.4%	SEK 1,955m
Average remuneration for other employees ²⁾ (FTEs)	3.3%	1.9%	4.0%	1.4%	-2.3%	653,000

1) Total remuneration refers to the sum of all remuneration components presented in Table 1.

2) Refers to all Group employees, excluding other members of Executive Management

Outstanding convertible programs

The Company has offered for a number of years the possibility for all employees in Sweden, including Executive Management, to subscribe to convertible debentures valued at market price. The objective of the convertible programs is to enhance and strengthen the employee's interest in JM's operations and future financial performance through an ownership commitment. Increased employee motivation and participation in JM's operations is in the interest of the Company, the employees and existing shareholders.

Table 3 – Overview of outstanding convertible programs including such programs closed during the year

Convertible program	Convertible debenture loan, maximum nominal amount (SEK m)	Highest number of convertibles	Debtenture loan after closed subscription period (approx. SEK m)	Number of convertible debenture after closed subscription period	Number of redeemed convertibles	Number of convertibles past due	Strike price	Highest possible dilution of shares and votes (approx. %)	Conversion period
2016	160	570,000	22.5	77,724	-	77,724	289	-	6/1/2019 – 5/18/2020
2017	160	450,000	14.5	35,520 ¹⁾	-	-	409	0.1	6/1/2020 – 5/18/2021
2018	160	640,000	45	195,930 ²⁾	-	-	229	0.3	6/1/2021 – 5/18/2022
2019	160	700,000	33	153,778 ³⁾	-	-	212	0.2	6/1/2022 – 5/18/2023
2020	230	645,000	34	157,067 ⁴⁾	-	-	217	0.2	6/1/2023 – 4/21/2024

Of which the President's holding:

1) 3,444

2) 11,172

3) 11,132

4) 9,982