

REMUNERATION GUIDELINES FOR GROUP EXECUTIVE MANAGEMENT TEAM

The following guidelines include Group CEO and other members of the Scandinavian Biogas Fuels International AB (the “Company”) Group executive management team. After the guidelines have been adopted by the Annual General Meeting 2021, they shall be applied to remuneration agreed at the Annual General Meeting and changes on already agreed remuneration. The guidelines do not apply to remuneration that is treated as a separate decision at the Annual General Meeting. The Group CEO and other members of the Group executive management do not participate in the Board of Directors’ processing of, and resolutions regarding, remuneration related matters in so far as they are affected by such matters.

THE GUIDELINES PROMOTION OF THE COMPANY’S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Scandinavian Biogas’s aim is to be world-leading in large-scale biogas and bio-fertilizer production. The Company currently holds a leading position in renewable energy and biogas production in the Nordic region and it works to ensure an increased use of biogas in the energy mix. The Nordic heavy road transport sector is currently the most significant area for the Company’s growth ambitions, although the biogas market is also expected to grow within maritime transport and industry. Demand for liquid biogas has increased in recent years, along with the supply of biogas-powered vehicles. This affects the market for compressed biogas, which is currently local but is expected to develop into regional or national markets in future. For more information on the Company’s business strategy, please visit the Company’s website <https://scandinavianbiogas.com/en/>.

A successful implementation of the Company’s business strategy and long-term interests, including sustainability, requires that the Company can recruit and retain qualified Group executives. That requires that the Company can offer a competitive total compensation, that is enabled by these guidelines.

The purpose of variable cash remuneration covered by these guidelines is to promote the Company’s business strategy as well as its long-term interest, including sustainability matters.

COMPENSATION COMPONENTS AND OTHER TERMS FOR MEMBERS OF GROUP EXECUTIVE MANAGEMENT TEAM

The remuneration of the CEO and other members of the Group Management Team may consist of fixed salary, short and long-term variable remuneration, pension and other benefits.

The fixed salary is set at a level which enables Scandinavian Biogas to attract and retain high performing individuals. The fixed salary levels are reviewed for the CEO and the other members of Group Management Team annually, taking into account factors such as the performance of the Company and the individual, role scope, and employee salary increases.

Total pension expenses correspond to a maximum of 30 percent of fixed annual salary for the CEO, including statutory occupational pension and pension attributable to short-term incentives. Long-term incentives are not included in the pensionable salary. Retirement arrangement and pensionable salary as stated above shall hold for the members of the Group Management Team, except if the individual is covered by collective agreements which stipulate otherwise.

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Benefits can be but are not limited to e.g. life insurance, health insurance, car benefit, housing benefit and other customary benefits and the value of these shall not exceed 10 percent of total annual fixed compensation.

The Board of Directors may consider whether it would be appropriate to use other types of remuneration to meet the overall aims and objectives of the Company, including remuneration of a one-off or extraordinary nature, such as sign-on fees or stay-on bonuses. If the Board of Directors considers one of these remuneration components, these shall not exceed 50 percent of fixed annual salary and shall not be paid more than once per year and individual.

CRITERIA FOR PAYMENT OF VARIABLE REMUNERATION

Any variable remuneration component shall reward the fulfillment of pre-defined and measurable criteria, financial or non-financial, that are clearly related to the Company's financial or non-financial objectives. The criteria shall promote the Company's business strategy and long-term interests, including sustainability.

When the measurement period ends, assessment of potential outcome is made based on the pre-determined criteria for payment of variable remuneration. The Board of Directors is responsible for the assessment of Group CEO's potential outcome in variable remuneration, while the Group CEO is responsible for the assessment of other Group executive managers' outcome in variable remuneration. For financial targets, the assessment is based on the financial information published by the Company.

The terms for variable cash remuneration shall be structured so that the Board of Directors, if exceptional conditions prevail, has the possibility to limit or refrain from paying variable remuneration, if such a payment is considered unreasonable for different reasons.

Short term variable remuneration cannot exceed 50 percent of fixed annual salary for the CEO and 25 percent of fixed annual salary for other Group executives for a measurement period.

The CEO and members of the Group Management Team may be offered share or share price-related remuneration. Long-term incentives are designed to reward for delivery of long-term strategic and financial performance, and to provide long-term alignment of management's interests with shareholders. Share and share price-related incentive programs must be decided by the Annual General Meeting and are therefore not covered by these guidelines. The essential terms and conditions of each launched long-term incentive plan is disclosed in the Company's annual remuneration report. The Remuneration Committee conducts the evaluation of performance in relation to performance metrics in the short-term and long-term incentive programs, and the evaluation shall be based on the latest available reports published by Scandinavian Biogas.

TERMINATION OF EMPLOYMENT

Notice period for a member of the Group executive management at the initiative of the Company corresponds to a maximum of twelve (12) months. However, the notice period for the CEO at the initiative of the Company corresponds to a maximum of six (6) months. The notice period for a member of the Group executive management at the initiative of the employee corresponds to a maximum of six (6) months. For the CEO, severance pay is paid corresponding to a maximum of twelve (12) months.

REMUNERATION AND EMPLOYMENT CONDITIONS FOR EMPLOYEES

When preparing and applying these guidelines, the Remuneration Committee and the Board consider the remuneration and terms of employment of the Company's other employees. These, in turn, are affected by general market conditions and internal factors that affect the Company's goal fulfillment. The Remuneration Committee regularly consults with the CEO and HR-manager to stay informed about other employees' remuneration and other terms.

THE DECISION-MAKING PROCESS TO DETERMINE, EVALUATE AND APPLY THE GUIDELINES

The Board of Directors' proposal for remuneration guidelines for the CEO and other Group executives is presented and subject for approval at the Annual General Meeting. The Board shall prepare a proposal for new guideline at least every fourth year and submit to the Annual General Meeting.

The Board will further follow and evaluate programs for variable remuneration for the Company's CEO and Group executive management and the application of the guidelines in terms of remuneration levels and structures. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting.

DEVIATIONS FROM THE GUIDELINES

The Board can decide to temporarily deviate from the guidelines partially or entirely, if there are reasons for it in occasional cases and deviation is considered necessary in order to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

SIGNIFICANT CHANGES IN THE GUIDELINES AND HOW THE SHAREHOLDERS 'VIEWS HAVE BEEN TAKEN INTO ACCOUNT

Applicable from the adoption of the first new guidelines in the future.
