Remuneration Policy

Revision 4.0

Approved by	Board of Directors Nasdaq Stockholm AB
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Document History

Revision	Published	Author(s)	Summary of Changes
1.0	DRAFT	CO	Updated in accordance with Internal Audit recommendations and to more clearly reflect regulatory requirements.
2.0		CO	Minor linguistic edits, updated third bullet point in section 3.2 as well as IA procedures in section 5. Updated FFFS reference.
3.0		CO	Correction of language on equity in section 4.1. Minor formatting & linguistic edits.
4.0		CO	Minor linguistic edits.

Table of Contents

Introduction

1.1 Background

Nasdaq Stockholm AB (“NQS”) is committed to promoting sound compensation practices in line with applicable law, regulatory guidelines and market practice. Employee compensation, both in terms of fixed and variable remuneration, must have adequate regard to the longer-term risks that an employee can impose on the company. Financial incentives must therefore be balanced against excessive risk taking that can arise from the remuneration structure.

1.2 Scope of Application

This Remuneration Policy (“the Policy”) supplements the Nasdaq Group total rewards programs (“TR Programs”) as documented in the Total Rewards Manual and other applicable internal documents.[1] The TR Programs and this Policy are applicable to all employees within NQS (or “the Company”). However, this Policy contains further restrictions with regards to remuneration for employees of NQS whose actions may have a material impact on the risk exposure[2] (hereinafter referred to as "Risk Takers”). The applicability of the remuneration principles with respect to Risk Takers is described in Section 4 below.

1.3 Objective

The objective of this Policy is to have a competitive and fair approach to remuneration for all employees within NQS, allowing for the recruitment and retention of qualified and experienced staff. The Policy is designed to promote effective risk management and governance with regards to mitigating risk-taking aligned with the Company’s long-term interests. The Policy shall account for prospective risks as well as existing risks and risk outcomes in relation to remuneration.

The three main components of the TR Programs are: annual base salary (fixed remuneration), annual performance-based cash incentive awards and long-term incentives (i.e. equity awards) (variable remuneration).

[1] At the time of writing, other relevant documentation includes e.g., the Nasdaq inc. Equity Incentive Plan etc.

[2] Definition taken from Finansinspektionen’s general guidelines regarding remuneration policies in exchanges and clearing organisations, ref. FFFS 2020:15.

1.4 Regulatory Scope

This Policy is set up to meet the "Finansinspektionen's general guidelines regarding remuneration policies in exchanges and clearing organisations" (ref. FFFS 2020:15) ("the Swedish Regulation") as well as any other applicable international or national rules, laws and standards.

Core elements of the Total Reward Programs

2.1 General Philosophy

The remuneration principles presented in this Policy are based on the core philosophy of the TR Programs applicable for the Nasdaq Group. To uphold independence in the compensation decisions, the Management Compensation Committee, designated by the Board of Directors of Nasdaq Inc., issues the TR Programs and sets the core philosophy for employees' compensation levels.

The core philosophy of the TR Programs is based on "pay for performance," aligning compensation with corporate goals and objectives, rewarding outstanding service and maintaining compliance with each country's laws, regulations and market practices. Furthermore, each employee's variable remuneration is, according to the Global Policy, evaluated by the overall parent company or subsidiary objectives and business unit/department objectives as well as individual objectives.

The Management Compensation Committee has endeavoured to create a performance-based compensation program that meets the needs of our global company and recognizes the important responsibilities to our shareholders. Accordingly, the compensation mix focuses on short-term (cash-based compensation, hereinafter the "Short-Term Compensation Program") and long-term (equity based compensation, hereinafter the "Long Term Equity Incentive Plan") financial performance of our company. The Nasdaq Group strives to offer employees a competitive balance between fixed and variable components in order to attract and retain motivated employees. Consequently, each employee's variable remuneration has a maximum upside opportunity in accordance with the TR Programs. For all employees the variable remuneration, both short-term and long-term, is expressed as a percentage of base salary. Such upside opportunity promotes the balance between the variable and fixed remuneration and appropriate risk taking.

2.2 Long-Term Perspective

According to the TR Programs, the total compensation mix aims to encourage taking appropriate risks in order to improve the Nasdaq Group long-term performance and build long term shareholder value. The compensation programs are subject to a comprehensive risk assessment process that is intended to identify any areas of the compensation structure that may intentionally encourage inappropriate risk taking. This risk assessment aims to prevent that the Nasdaq Group's total remuneration for a given period of time does not expose its ability to achieve a positive result over the lifetime of a business cycle. Accordingly, the actual costs for maintaining adequate capital and liquidity that are inherent to the business operations are taken into account in such performance measurement.

In order to discourage excessive risk taking within the Nasdaq Group some positions/functions within the Nasdaq Group are not permitted to have any revenue related goals in their cash based variable compensation scheme nor as a performance measure for the long-term incentive program (equity based).

In addition, where necessary, in case of material errors, omissions, fraud, or misconduct of an employee, Nasdaq has the authority to seek reimbursement for any compensation deferred to any such employee. Moreover, Nasdaq's remuneration principles according to the TR Programs do not allow any guaranteed variable remuneration.

2.3 Grandfather Principle

At the Nasdaq Group, all decisions that are in any way linked to compensation and performance evaluations are governed by a principle called the Grandfather principle. The Grandfather principle means that any decision made by the immediate manager is also always reviewed and approved by the manager's manager. Such decisions include setting and evaluating individual goals, all changes in compensation, and all variable remuneration pay- out s.

Specific Requirements on NQS

3.1 Remuneration Responsible

In accordance with the SFSA's recommendations on remuneration, a regulated company such as NQS should have a remuneration committee, or alternatively a board member appointed to have special responsibilities in respect of the preparation of remuneration matters in the Board. Therefore, the Board has appointed a Board member with special responsibility to resolve upon the preparation of remuneration matters and actions for follow- up and application of the Policy. The Board member chosen is considered to be the most suited among the Board members. The person must meet relevant requirements in relation to personal integrity, independence, lack of personal interests in the Board's remuneration decision and have the most relevant competence and experience among the Board members.

Nasdaq deems this level of governance to actively counterstrike excessive risk taking.

3.2 Risk Takers

3.2.1 Rationale for risk takers

An employee's remuneration should take account of the risks that the employee takes on behalf of the firm. The respective risk categories in NQS are defined in the NQS Enterprise Risk Management Policy.

Consequently, the rationale for Risk Takers in NQS relates to whether the role falls within any of the following categories:

- The Chief Executive Officer and other senior managers, as well as other strategic management positions.
- Control functions, e.g., within compliance, enterprise risk management and risk management (see further clarification on control functions under section 3.3.).
- Authorized signatories or employees authorized to make large payments or investments;
- Any other role who could make a decision that could significantly affect the company's risk exposure; and
- An employee with significant delegation powers from the CEO or the Board.

3.2.2 Exceptions

Even if a role falls within one of these categories, there is one exception: if the employee's decision-making powers are limited in terms of making decisions that could significantly affect the company's risk exposure they will be exempted from Risk Taker status.

The Compliance Function shall assess which individual employees employed by NQS shall be deemed as Risk Takers and propose this to the Board. The Compliance Function has the responsibility to facilitate and document the assessment of risk takers in relation to the impact they can have on the risk exposure, and of the design of the Remuneration Program, in collaboration with HR and representatives from the business. The Compliance Function shall maintain and update the list of Risk -Takers, including a description of the rationale for deeming them Risk Takers.

3.3 Control Functions

Employees within Internal Audit, the Compliance Function, second line risk management and any other applicable control function (hereinafter collectively referred to as "Control Functions") shall have their remuneration determined independent of the business they control. Consequently, they must be remunerated in a manner that is independent of the business performance of NQS. Revenue goals linked to the performance of NQS have been removed for these Control Functions.

Group revenue remains as a goal since NQS's revenue represents less than 8% of the Nasdaq Group revenue, and the activities performed by the Control Functions have therefore been deemed to have no, or else very limited, influence on the Group revenue. Therefore, there is no direct link between the Group revenue and the variable remuneration of the control functions.

Fixed and Variable Pay

4.1 TR Programs on Fixed and Variable Pay

The annual fixed salary shall be competitive and based on the individual's responsibilities and performance.

The variable remuneration consists of a combination of the annual actual paid cash and granted Long-Term Incentive Equity Award.

All employees who meet the service requirements for their career level and have a performance rating of "Often Delivers" or higher are eligible to participate in the Equity Incentive Program:

All employees in roles at career level Manager/Specialist or above will be eligible for up to 100% of their equity plan at grant date if actively employed on December 31.

All employees in roles at career level Senior Analyst and below have up to 100% eligibility after one full year of employment prior to grant date.

The Equity Incentive Program consists of equity vehicles that reward long-term success and growth:

- *Restricted Stock Units*, which are awards granted in the form of units—each unit represents an actual share of Nasdaq stock—and become vested over time based on the terms and conditions of the plan.
- *Performance Share Units* (PSUs), which are awards granted in the form of units—each unit represents an actual share of Nasdaq stock—and are contingent upon achieving financial performance goals over a certain period of time, as well as the terms and conditions of the plan. PSUs are issued to executives.

Such awards are capable of being clawed-back in the event of poor financial performance or personal conduct.

In the case of voluntary or involuntary termination from the company, equity which would ordinarily have vested during the employment had the employee not been subject to deferred vesting due to identification as a Risk Taker will continue to vest. All other equity will be forfeited upon termination, in accordance with the terms and conditions of the Nasdaq, Inc. Equity Incentive Plan.

The majority of Nasdaq Group employees are eligible to participate in the Total Rewards Programs. The variable remuneration is set as a target percentage of the annual base salary. The level of the variable remuneration is differentiated based on employees' positions within the company. The total variable pay consists of the Short-Term Incentive Program and the Long Term Equity Incentive Plan. The balance between base salary and variable pay is reviewed by the Global Rewards Team and the Board each year, to ensure that the mix of the fixed and variable remuneration is appropriate on an individual basis.

4.2 NQS Specific Aspects of Remuneration

Risk Takers within NQS shall have their total variable remuneration deferred with a substantial proportion (35 % to 70 %) and for a minimum period of three years.

The reason for the policy's deviation from SFSA's recommendations on remuneration for 60% deferral is due to the fact that 35% to 70% has been deemed to provide an accurate balance between short- and long-term remuneration and contribute to an appropriate risk appetite. It has been concluded that the remuneration structure, including the model chosen for deferrals, is in line with the organisation's size, scale and complexity, and hence in line with SFSA's recommendations.

Both the fixed salary and the total variable remuneration should, on an annual basis or when significant changes occur, be reviewed and kept in line with applicable regulations and the Policy.

The deferred payment for an individual associate may be cancelled in part or in whole by Nasdaq Group, if at a later stage, in connection to the end of the deferral period, it is demonstrated that NQS did not fulfil the performance criteria designated for it. Such cancellation shall be applied only if NQS's financial stability is significantly weakened, whereby the company no longer is considered to be able to continue conducting business.

For Control Functions, the level of remuneration should be adequate in terms of the individual's responsibility as well as in comparison to the level of remuneration in the respective business areas.

Governance and Control

This Policy and the definition of Risk Takers are subject to review and approval by the Board. Furthermore, the Board shall be responsible for the application and follow up of the Policy. The Corporate Secretary will also initiate a four- eye review of the material submitted to the Board in relation to remuneration.

The remuneration system must include controls and there are two controls in particular that should be undertaken on an annual basis (the controls can be performed as part of the same review)

1. The Policy shall be subject to independent audits and the result of the audits shall be made available to SFSA.
2. The Swedish Regulation requires a Control Function to independently review if the Company's remuneration complies with the Policy.

The latter control should also include a review of the disbursement of remuneration as well as sample testing after the remuneration has been paid out.

The Compliance function should also on an ad hoc basis perform a review on individual employee goals to ensure that the goals are aligned with the policy requirements.

Based on the above, the Company shall engage its Internal Audit function to carry out the control of the Policy, if appropriate, by commissioning the external auditors. The results of the review shall be reported to the Board no later than in conjunction with the adoption of the annual accounts.

Disclosure of information on remuneration

NQS shall make key elements of its Remuneration Policy available to the public. In addition, NQS shall, in conjunction with the adoption of the annual report, disclose information about the Company's remuneration in accordance with the specifications set out in the Swedish Regulation (ref. Chapter 5).

The Company shall present its account in the annual report, in an appendix to the annual report or on its website. If the account is not included in or appended to the annual report, the Company shall disclose in its annual report where the information is published. The information should be published in such a manner that the economic conditions for individual employees are not revealed.

The account shall be available for at least one year after its publication.

Information about performed risk analysis shall be disclosed on Nasdaq's website or in the respective annual reports.