

Board's report on the results of the evaluation of the application of the guidelines for remuneration to senior management, and related matters

According to the Swedish Corporate Governance Code, the remuneration committee established by the Board shall evaluate the application of the guidelines for remuneration to senior management established by the Annual General Meeting. According to the Code, the remuneration committee must also monitor and evaluate ongoing variable remuneration programmes for company management.

The guidelines for remuneration to senior management established by the 2016 Annual General Meeting state that remuneration shall consist of a fixed market-based salary and that no variable remuneration shall be paid. The guidelines also include sections concerning pension benefits, notice and severance payments.

The remuneration committee's evaluation of the application of the guidelines established by the 2016 Annual General Meeting has shown that the company has complied with the guidelines.

The 2016 Annual General Meeting approved a share savings programme aimed at around 40 members of senior management.

In its evaluation, the remuneration committee noted that all those invited have participated in the share savings programme with virtually full engagement and that there has thus been very strong interest in the programme. In 2016, three people terminated their employment and consequently left the programme. Evaluation of the share savings programme is due to continue.

Stockholm, March 2017

The Board of Directors