

Guidelines for remuneration to the executive management

The Board's proposal regarding principles for remuneration to the management, consisting of the CEO and eight persons (executive management), is prepared by the Remuneration Committee. The Board passes a decision on the proposed principles. The principles are adopted by the AGM and they are unchanged from the previous year.

In handling matters related to remuneration, external advice is sought when necessary.

The main principle is to offer senior executives market based remuneration and terms of employment. Actual levels of remuneration are determined on the basis of factors such as expertise, experience and performance.

The board may deviate from these guidelines on an individual basis if there are particular reasons on hand.

Total remuneration includes:

- *Basic salary*

Basic salary for the CEO and other senior executives is reviewed yearly.

- *Short-term incentive, STI*

Remuneration shall be paid in relation to the performance goals achieved by the company as a whole. Remuneration shall amount to not more than 80 percent of the basic salary.

- *Long term incentive program, LTI*

For the purpose of linking the interests of the employees with the interests of the shareholders and in order to encourage the senior executives' ("Employee") acquisitions of shares in the Company, a long term incentive program shall, in addition to STI described above, be applied with the following main components:

a. A general principle state that if an Employee buys shares, the Company shall match this by cash payment of the same amount, compensated for the Employee's marginal tax costs, in the form of a single payment ("Matching Amount"). Employees shall have the right to buy shares for a maximum amount of SEK 50,000, and CEO SEK 100,000 after tax. The Employee shall use the Matching Amount to acquire shares in the Company. These shares shall through means of agreement be kept for at least four years.

b. If the Employee fulfills certain requirements after three years, the Company shall make an additional single payment corresponding up to 150 per cent of the Matching Amount with compensation for the Employee's marginal tax costs in accordance to the above. The Employee shall use the paid out amount to acquire shares in the Company. These shares shall through means of agreement be kept for at least one year.

c. The criteria for payment in accordance with item b., is inter alia, that the Employee shall still be employed and that he or she has kept his or her acquired shares and that the performance goals regarding the Company's earnings per share for the financial year 2019 as established by the Board of Directors have been fulfilled. In case of partial goal fulfillment regarding earnings per share, part of the maximum amount will be paid out.

The total cost for the LTI program this year, provided that all of the senior executives choose to acquire the maximum number of shares and the achievement of goals is reached amounts to SEK 2.6 million excluding social security costs.

At a future maximum outcome of the decided LTI programs for executives, the future cost for the company based on current tax levels amounts to a maximum of SEK 7.2 million.

- *Pension benefits*

Retirement age for the CEO is 62 years and for other senior executives 65 years. All pension benefits are so called defined pension premiums. This means the company pays an individually agreed defined pension premium for every senior executive. There are no other pension obligations.

- *Other benefits*

Senior executives are entitled to a company car or an allowance of equivalent value. In addition, all senior executives are covered by the company's usual private health care insurance.

The company also covers the CEO's costs for housing in Stockholm and for travel between Stockholm and Gothenburg.

- *Termination benefits*

The employment agreement with the CEO specifies a notice period of twelve months in the event of dismissal by the company and termination benefits corresponding to 12 months' salary after the notice period. For other senior executives there is a notice period of six months in the event of dismissal by the company with termination benefits equal to six months' salary after the notice period. During the notice period, actual employment agreements run with benefits according to the agreement. In cases where termination benefits are received, no other benefits are payable.

Information on Long term incentive program, LTI, to other senior managers

The company also informs about the fact that the LTI program has been expanded to include an increased number of senior managers in the Group, which are not part of the group's senior executive management.

The future cost for the expanded program amounts to a maximum of SEK 0.8 million excluding social security costs.