

Item 14: Proposal regarding guidelines for remuneration to senior executives

The board of directors of the Company proposes, after recommendation from the remuneration committee, that the annual general meeting adopts the following guidelines.

General

The guidelines shall apply to remuneration that may be agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to any remunerations that has specifically been resolved by the general meeting or any remuneration in the form of shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options, which require specific approval by the general meeting.

These guidelines apply to the CEO, deputy CEO, the CFO and the Chief of Staff, Legal & Governance, and others who might become part of the group management, as well as to any remuneration to members of the board other than approved director fees. Reference to senior executives shall therefore be considered to include such remuneration to directors. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines contribution to the Company's business strategy, long term interest and sustainability

The guidelines shall contribute to establish conditions for the Company to recruit and maintain qualified senior executives in order to successfully implement the Company's business strategy and achieve the Company's long-term interests, including sustainability. The guidelines shall also stimulate an increased interest in the business and the result as a whole as well as increase the motivation of the senior executives and increase belonging within the Company. The guidelines' purpose is further to create alignment between the Company's shareholders and the senior executives. The guidelines shall also contribute to a good ethics and culture within the Company.

In order to achieve the Company's business strategy, total annual remuneration must be market-based and competitive in the employment market where the senior executive is located, as well as take into account the individual's qualifications and experience; furthermore, exceptional performance should be reflected in the total remuneration. For more information regarding the Company's business strategy, see the Company's annual report available at the Company's website.

Variable cash remuneration covered by these guidelines is intended to promote the Company's business strategy and long-term interests, including sustainability.

The forms of remuneration etc.

The remuneration to the senior executives in the Company shall comprise of fixed cash salary, possible variable cash salary, other customary benefits and pension payments. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual responsibilities, competences, qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority. The fixed cash salary shall be revised on a yearly basis.

The senior executives may receive variable cash remuneration in addition to fixed cash salaries. The variable remuneration shall be based on the outcome of actual predetermined targets based on the Company's business strategy and the long-term business plan approved by the board of directors. The targets may include share based or financial targets, on group level, operational goals and goals for sustainability and social responsibility, employee engagement. These targets are to be established and documented annually. The Company has established financial targets and KPIs in relation to strategic and business critical initiatives and projects which ensures alignment with the business plan and business strategy for a continued sustainable business. The variable cash remuneration shall also be designed to encourage the right behavior and contribute to the achievement of increased community of

interests between the executive and the Company's shareholders in order to contribute to the Company's long-term interests.

Cash based variable remuneration shall be earned and paid out pro rata based on the number of working months and days since first employment date assuming the employee starts with the Company no later than September 30. If the employee starts with the Company after September 30, any entitlement to cash based variable remuneration will commence from the following fiscal year. Any variable cash remuneration shall not exceed a maximum of 100 percent of the fixed annual cash salary.

The conditions of any variable cash remuneration should be designed so that the board of directors may reduce or withhold payment of variable remuneration in the event of exceptional economic circumstances, or if the board of directors finds the payments unreasonable and incompatible with the Company's responsibility to its shareholders or stakeholders. With respect to yearly cash bonuses, it should be possible to reduce or withhold payments, if the board of directors deems it reasonable because of any other reasons. The Company shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are limited in time and made only on an individual basis. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 100 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of directors upon proposal from the remuneration committee.

Pension benefits for the CEO and other senior executives must reflect normal market conditions, compared to what generally applies to corresponding senior executives in other companies and shall normally be based on defined contribution pension plans. Right to pension occurs normally at 65 years of age.

Employees have the right to salary exchange (i.e., instead of salary choose to receive salary as pension payments. Salary exchange shall be cost neutral for the employer). Variable cash remuneration does not qualify for any pension entitlements/contributions, unless local law provides otherwise. The pension premiums for defined contribution pensions shall amount to a maximum of 30 percent of the fixed annual cash salary.

The Company may provide other benefits to senior executives in accordance with local practice. Such other benefits may include company healthcare and education. Such benefits must be considered reasonable in relation to the practice in the market where the respective senior executives operate and may in total amount to a maximum of 5 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may not exceed 15 percent of the fixed annual cash salary.

If a director performs services on behalf of the Company, which do not constitute board work additional consultancy fees or other additional remuneration may be paid to directors upon decision by the board of directors following recommendation by the remuneration committee. Any such remuneration shall be designed in accordance with these guidelines.

When the measurable period for fulfilment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after following recommendation by the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash

remuneration to other senior executives. With respect to financial targets the evaluation shall be based on the Company's latest publicly available financial information.

Notice of termination and severance pay

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of two years' fixed salary. A sanctioned notice period for a senior executive may not exceed twelve months, during which time salary payment will continue. In the event of termination by the executive, the notice period may not exceed six months, without the right to severance pay.

Remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies.

No senior executives are entitled to any additional benefits during the notice period and the Company has no allocated or capitalized amounts for pensions or similar benefits in the event that a senior executive leaves his or her position.

Deviations from the guidelines

The board of directors shall be entitled to deviate from the guidelines with regards to such as the recruitment of senior executives on the global labor market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the Company's long-term interests and sustainability or to ensure the Company's economic viability. Such deviation shall also be approved by the remuneration committee. An arrangement deviating from the guidelines can be renewed but each such arrangement shall be limited in time and shall not exceed a period of 24 months or an amount that is twice the remuneration that the individual would have received had no additional arrangement been made.

Preparation, decision processes etc.

Decisions regarding salary and other remuneration to the CEO and deputy CEO (if such has been appointed) are prepared by the remuneration committee and resolved by the board of directors. Decisions regarding salary and other remuneration to other senior executives are prepared and resolved by the CEO.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall remain in force until new guidelines have been adopted by the general meeting.

The Company believes remuneration is one of several key components in attracting and retaining the right employees. The Company shall offer a total rewards package that is:

- Fair and equitable. No employee should be discriminated in relation to gender, ethnicity, age, disability or any other factor unrelated to performance or experience. Rewards should be understood in relation to the level of responsibility and impact on the business that a certain role has.
- In line with market. The Company strives to remunerate in accordance with market. Base and variable pay, as well as benefits and pensions should be in line with what each local market offers for similar positions.

- Performance based. The Company recognizes people who are committed to sustainable long-term performance that drives the business and develops the company in line with our values and principles. High performance is the main differentiator for employee's rewards packages.

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

Compliance with the guidelines must be checked annually through, among other things, the collection of documented annual targets for short-term variable remuneration.

Information regarding remuneration

For information regarding paid remuneration refer to the Company's annual report available at the Company's website.

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