

## 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 shall also monitor and evaluate ongoing variable remuneration programmes for company management.

The guidelines for remuneration to senior management established by the 2019 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 2019 Annual General Meeting has established that the company has complied with the guidelines and that no variable remuneration has been paid. According to the remuneration committee the remuneration model with fixed salary and no variable components is predictable and transparent and appropriate for the purpose of recruiting and retaining skilled employees.

The 2019 Annual General Meeting approved a share savings programme aimed at members of senior management. The remuneration committee noted that there was strong interest in the programme and that initially 51 senior managers decided to participate in the programme.

Stockholm, February 2020

The Board of Directors