

Board's proposal regarding guidelines for determining the salary and other remuneration to the CEO and the senior management

These guidelines refer to terms and conditions of employment for the CEO and other members of senior management, namely the business area managers and heads of Group staff functions who report directly to the CEO. The guidelines apply to agreements entered into after approval of the resolution by the Annual General Meeting.

Salary and other remunerations

The remuneration of the CEO and the senior management shall consist of a fixed market-based salary. Other benefits, principally car and accommodation, shall, insofar as they are provided, represent a limited part of the remuneration.

Over and above any share-based incentive programmes approved by the Annual General Meeting, no variable remuneration shall be paid.

Pension

The retirement age shall normally be 65 years. The pension benefit paid shall be premium-based, and in accordance with the ITP plan. Additional premium-based pension arrangements may apply.

Notice and severance pay

The period of notice shall be six months, whether at the initiative of the company or the employee. In the event of notice being given by the company, severance pay can be paid in amounts corresponding to no more than 18 months' salary.

Remuneration committee

A remuneration committee appointed from among the members of the Board shall prepare business pertaining to the CEO's salary and other conditions of employment and submit proposals on such issues to the Board for decision. Detailed principles for determining the salaries, pension rights and other remuneration to senior management shall be laid down in a pay policy adopted by the remuneration committee.

Departures in individual cases

The Board is entitled to depart from these guidelines in individual cases if motivated by particular reasons. In the event of such a departure, information thereon and the reasons therefore shall be submitted to the next Annual General Meeting.

Stockholm March 2016

The Board of Directors