

Point 18

Proposal for establishment of guidelines for remuneration to senior executives

For the President and other senior executives in the Company, the guidelines for remuneration as approved by the 2008 Annual General Meeting apply.

The Board proposes that the guidelines below be approved by the 2009 Annual General Meeting for the period up until the end of the 2010 Annual General Meeting.

The guidelines shall be applied in agreements subsequently concluded.

Current terms of employment

The primary content of current employment agreements with senior executives is reported on pages 75-76, Note 7, of the Company's 2008 Annual Report.

The Board's proposed guidelines

The Company's forms of remuneration for senior executives shall be on market terms, be long-term and quantifiable, and promote Group unity. Improvements, particularly in earnings per share, shall be rewarded and there shall be a ceiling on variable remuneration. Total remuneration shall comprise the following components: fixed salary, pension benefits, terms for notice of termination and severance pay, bonus, share-related incentive program and other benefits.

Fixed salary: The fixed salary shall be on market terms and shall be based on competence, responsibility and performance.

Pension: For the President and other senior executives a defined-contribution pension plan shall apply, with the pension premiums amounting to a maximum of 35% of pensionable salary. The premiums are paid as long as employment in the Company continues.

This guideline represents a departure from currently applicable agreements for certain senior executives that were concluded prior to the 2006 Annual General Meeting, which provide the right to retire on a pension at the age of 62 with a defined-benefit pension during the period up to the conventional pension age of 65 years.

Severance pay, etc.: A mutual notice period of six (6) months shall apply to senior executives. Severance pay to other senior executives shall be paid at up to 18 months of fixed cash salary if the Company terminates employment. The severance pay shall be deductible against salary received from other employment during the notice period. In the event of the notice of termination by the executive, if the Company decides in certain cases to impose a contractual competition restriction, the Company shall pay a maximum of 60% of the fixed salary during the time the competition restriction is applicable. Severance pay and remunerations during the period of competition restriction shall not be pensionable.

This guideline represents a departure from the prevailing agreements for certain senior executives that were concluded prior to Hakon Invest's listing in 2005, which in some cases provide entitlement to nondeductible severance pay.

Bonus: The President and other senior executives shall be included in an annually recurring, performance-based, incentive program that shall reward improvements in the Company's earnings, expressed as earnings per share. The size of the bonus is being reduced compared with the previous year and is maximized per person and year at the equivalent of six (6) months' salary for the President and to four (4) months' salary for other senior executives. The bonus shall not be pensionable. The bonus for 2009 will be triggered if the Company's earnings per share increase by 15% compared with the previous year and for maximum payout the Company's earnings per share must increase by at least 22%. The bonus shall be paid in cash.

The Board's reasoning as regards the bonus proposal is primarily as follows: For the Company to be able to recruit, motivate over the long term and retain key employees, it is important to have a competitive remuneration package. This should focus on the Group and be linked to value-creation and changes in shareholders' value.

For 2009, the proposal – on the basis of current employees – would entail the potential for a bonus for the President and the other three senior executives.

With the current employees and maximum payout, the cost of the 2009 bonus program – which is triggered with an increase in earnings per share of 15%-22% – would correspond to an expense, including social security fees, of around SEK 4.6 M. In the case of the President, who has a gross salary framework, the calculated fixed monthly salary in 2009 amounts to SEK 260,000.

Share-related incentive program: The President and other senior executives shall be included in an annually recurring, combined share matching and performance-based share program that shall require investment to be made by the employee, with a two-year earnings period and a one-year redemption period. The program involves participants actively buying new shares ("Saving Shares") at market price and "locking up" the Saving Shares for a period of two years. Assuming that the participant remains employed and still holds their Saving Shares, a number of rights can be exercised to redeem what are known as Matching Shares for a redemption price of SEK 10 per share. If certain clearly defined performance requirements have been met, further rights can be exercised to redeem what are known as Performance-based Shares for a redemption price of SEK 10 per share. The maximum number of Saving Shares is 2,000 for the President and 1,500 each for other senior executives; the maximum number of Matching Shares is 2,000 for the President and 1,500 each for other senior executives; and the maximum number of Performance-based Shares is 8,000 for the President and 6,000 each for other senior executives. The total number of Matching and Performance-based Shares is maximized at 32,500. The total IFRS 2 cost of the program for the President and other senior executives is

calculated as SEK 0.9 M and social security fees at SEK 0.5 M, i.e. SEK 1.4 M in total.

See also point 19 of the proposed agenda.

Other remuneration and benefits: Other remuneration and benefits shall have a limited value in relation to total remuneration and correspond to what is normal on the market.

The Board shall have the right to deviate from the guidelines proposed above if there is particular reason for doing so.

Preparation

The proposals above were prepared by the Remuneration Committee within the Company's Board.
