

Point 19

The Board's proposal for establishment of guidelines for remuneration to senior executives

For the President and other senior executives of the Company the guidelines for remuneration as approved by the 2009 Annual General Meeting apply. Other senior executives refers to the people who, together with the President, make up the Executive Management.

The Board proposes that the guidelines below be approved by the 2010 Annual General Meeting for the period up until the end of the 2011 Annual General Meeting.

The guidelines shall be applied in agreements subsequently concluded.

Current terms of employment

The primary content of current employment contracts with senior executives is reported on pages 80-81, Note 7 of the Company's 2009 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, severance pay, bonus, share-related incentive program and other remuneration and 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 percent 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.

The current pension terms for the Company's President and other senior executives are reported on pages 80-81, Note 7 of the Company's 2009 Annual Report.

Severance pay, etc.: A mutual notice period of six (6) months shall apply to senior executives. Severance pay to 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. In the event of 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 percent of the fixed salary during the time the competition restriction is applicable. Severance pay and remuneration 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 provide entitlement to nondeductible severance pay. The Company's President is not entitled to severance pay.

Bonus: The President and other senior executives shall be included in a performance-based incentive program that shall reward improvements in the Company's earnings, expressed as earnings per share. The size of the bonus is maximized per person and year at the equivalent of six (6) months' salary for the President and four (4) months' salary for other senior executives. The bonus shall not be pensionable. The bonus for 2010 will be triggered if the Company's earnings per share increase by 15 percent compared with the previous year and for maximum payout the Company's earnings per share must increase by at least 22 percent. 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 senior executives, 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 2010, 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 2010 bonus program – which is triggered with an increase in earnings per share of 15-22 percent – would correspond to an expense, including social security payments, of around SEK 5.38 M. In the case of the President, who has a gross salary framework, the calculated fixed monthly salary in 2010 amounts to SEK 338,000.

Share-related incentive program: The President and other senior executives shall be included in a combined share matching and performance-based share program that shall require investment to be made by the employee, with a three-year earnings period. The program involves participants actively buying new shares ("Saving Shares") at market price and locking up the Saving Shares for a period of three years. Assuming that the participant remains employed and still holds their Saving Shares, a right will be allotted that entitles the participant to obtain without payment what are known as Matching Shares. If certain clearly defined performance requirements have been met, further rights will be allotted that entitle the participant to obtain without payment what are known as Performance-based Shares. Shares will be allotted on the basis of Rights at the earliest on the day following publication of the interim report

for January – March 2013 and at latest 45 days thereafter, as decided by the Board of Directors. 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 1.6 M and social security payments at SEK 1.0 M, i.e. SEK 2.6 M in total.

See also point 20 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 to do so.

Preparation

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