

## **PROPOSAL OF THE BOARD OF DIRECTORS ON GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

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The Board of AarhusKarlshamn AB (publ) proposes that the Annual General Meeting 2014 resolves on guidelines for remuneration to senior executives in accordance with the following.

The principles for remuneration to senior executives in AarhusKarlshamn are tailored to ensure that AarhusKarlshamn can offer competitive remuneration in line with market terms from an international perspective to attract and keep qualified employees. The total remuneration to senior executives shall consist of a fixed basic salary, variable remuneration, pensions, company car benefits and severance payment.

The fixed salary shall be individually differentiated, based on responsibility and performance. It shall further be reviewed annually and shall be established in accordance with market terms.

In addition to a fixed annual salary the senior executives may also receive variable remuneration with a pre-determined cap based on the outcome of annually targeted results. The results shall be based on the company's result and the individual area of responsibility. The variable remuneration shall not exceed 110 per cent of the fixed annual salary.

Apart from said variable remuneration, incentive programmes related to the share or share price can be resolved upon from time to time. At present there are one outstanding incentive programme for senior executives and key employees, "Subscription Warrant Program 2010/2015". In these programs all investments are made on market terms.

The estimated cost of the company for variable remuneration according to the Board of Directors' proposal follows from the Exhibit.

Pension entitlements for senior executives shall apply from 60 years at the earliest. The pension benefits for the senior executives shall primarily be fee based.

In case of notice of termination by the company, the notice period for the CEO and the senior executives shall be twelve months. Severance payment, pre-determined to a maximum of twelve months basic salary, may be paid after the end of the notice period. In case of resignation by a senior executive, the notice period shall be six months and no severance payment shall be awarded.

These guidelines shall apply to those individuals who are included in the group management during the term of application of these guidelines. The guidelines shall apply to agreements entered into after the adoption by the Annual General Meeting, and to changes made in existing agreements after this date. The Board shall be entitled to deviate from the guidelines in individual cases if there are specific reasons for such deviation.

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Malmö in April 2014  
*The Board of Directors*

**AarhusKarlshamn AB (publ)**

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**APPENDIX TO THE PROPOSAL OF THE BOARD OF DIRECTORS OF  
AARHUSKARLSHAMN AB (PUBL) FOR GUIDELINES FOR  
REMUNERATION TO THE MANAGEMENT**

**Estimated costs for variable remuneration**

The cost for variable remuneration to the management according to the proposal of the Board of Directors is based on the present remuneration rates and may, at maximum outcome, which presupposes that all targets on which the variable remuneration is based are reached, amount to maximum SEK 29 million excluding social security contributions. The estimate is based on the persons currently being part of the management. The costs may change in case additional persons will become part of the management.

**Remuneration resolved upon that is not due for payment**

AarhusKarlshamn AB has, at the time for the Annual General Meeting to be held on 8 May 2014, no outstanding remuneration commitments apart from running commitments towards the management, including previous commitments under the incentive programme for senior executives and key employees.