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THE BOARD OF DIRECTORS' REPORT ON THE REMUNERATION COMMITTEE'S EVALUATION OF REMUNERATION TO SENIOR EXECUTIVES

The Board of Directors of Gränges AB has established a Remuneration Committee which since the Annual General Meeting held on 3 May 2018 consists of Anders G. Carlberg, Chairman of the Board of Directors and also Chairman of the Committee, Carina Andersson, Peter Carlsson and Hans Porat. The employee representative Öystein Larsen has been a co-opted member of the Committee.

The Remuneration Committee's tasks are, among other things, to monitor and evaluate all programmes for variable remuneration to senior executives, and the application of the company's guidelines for remuneration to senior executives, as well as the current remuneration structures and levels in the company. In accordance with section 10.3 of Swedish Corporate Governance Code, the Board of Directors gives the following report on the result of the Remuneration Committee's evaluation.

During 2018, the Remuneration Committee has monitored and evaluated the company's programmes for variable remuneration to senior executives and the guidelines for remuneration to senior executives. The Remuneration Committee has taken into account the incentive programmes that the Annual General Meetings in 2015, 2016, 2017 respectively 2018 resolved to implement.

At meetings of the Board of Directors and the Remuneration Committee in February 2019, the outcome of the programmes for variable remuneration (STI 2018 and LTI 2017, 2016 and 2015) was presented and it was concluded that these, as well as other remuneration obtained by senior executives in 2018, had been appropriate and in accordance with the remuneration guidelines adopted by the Annual General Meeting. Furthermore, in light of the described outcome, it was concluded that the guidelines had met its objectives and worked as intended. The Remuneration Committee thus assesses that the application of the guidelines for remuneration to senior executives has been correct. The Remuneration Committee has also monitored and evaluated the remuneration structures and levels in the company, and, after a minor adjustment of the base for calculations of pensions for senior executives covered by ITP 2, find these to be well-balanced and in accordance with market conditions.

Stockholm, March 2019

Gränges AB (publ)
Board of Directors