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

The Board of Directors of Gränges AB has established a Remuneration Committee which since the Annual General Meeting held on 8 May 2019 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 managers, and the application of the company's guidelines for remuneration to senior managers, 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 2019, the Remuneration Committee has monitored and evaluated the company's programmes for variable remuneration to senior managers and the guidelines for remuneration to senior managers. The Remuneration Committee has taken into account the incentive programmes that the Annual General Meetings in 2016, 2017, 2018 respectively 2019 resolved to implement.

At meetings of the Board of Directors and the Remuneration Committee held on 11 and 12 February 2020, the outcome of the programmes for variable remuneration (STI 2019 and LTI 2018, 2017 and 2016) was presented and it was concluded that these, as well as other remuneration obtained by senior managers in 2019, 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 managers has been correct. The Remuneration Committee has also monitored and evaluated the remuneration structures and levels in the company, and the Committee has found these to be well-balanced and in accordance with market conditions.

Stockholm in May 2020
Gränges AB (publ)
Board of Directors