



EVALUATION OF REMUNERATION TO THE SENIOR EXECUTIVES (REPORT PURSUANT TO SECTION 9.1 AND 10.3 OF THE SWEDISH CORPORATE GOVERNANCE CODE)

In accordance with the Swedish Corporate Governance Code (the "Code"), the Board of Directors of Ahlseell AB (publ) ("Ahlseell") shall establish a Remuneration Committee which, inter alia, is entrusted with the task of annually monitoring and evaluating programs for variable remuneration to the senior executives, the application of the guidelines for remuneration that the Annual General Meeting have adopted as well as the current remuneration structures and remuneration levels in Ahlseell. The Remuneration Committee consists of Kenneth Bengtsson (Chairman of the Remuneration Committee), Peter Törnquist and Magdalena Gerger.

Pursuant to Section 10.3 of the Code, the Board of Directors hereby presents the following report on the results of the Remuneration Committee's evaluation of the program for variable remuneration to the senior executives, the application of the guidelines for remuneration to senior executives that the Annual General Meeting have adopted as well as the current remuneration structures and levels in Ahlseell.

Evaluation of program for variable remuneration to senior executives

Variable remuneration is based primarily on the group's profit growth, profitability and cash flow. The variable remuneration shall generally not exceed 80 per cent of the fixed salary. The Remuneration Committee has evaluated the established goals for the short-term variable remuneration and the outcome of 2017. The Remuneration Committee's opinion is that the remuneration is well in line with the shareholders' interests and that the short-term variable remuneration is important for motivating and retaining employees in Ahlseell's senior management.

At an Extraordinary General Meeting in Ahlseell on 16 October 2016, the shareholders resolved to establish long-term incentive programs. The programs consist of a share savings program directed to a wider group of employees as well as a subscription warrant program that is directed to senior executives. The Remuneration Committee has found that participation ratio in the incentive programs has been high. Although the programs will not expire for several years, the Remuneration Committee is already of the opinion that the programs contribute to motivate and retain senior executives as well as to secure a long-term commitment in Ahlseell's development.

The application of the guidelines for remuneration to senior executives as well as current remuneration structures and remuneration levels

According to the current guidelines for remuneration to senior executives, the objective of the guidelines is that Ahlseell shall be able to offer a total remuneration on market terms and thereby attract and retain qualified employees. The Remuneration Committee has found that the guidelines have provided Ahlseell with the possibility to recruit and retain the right senior executives.

The guidelines have also contributed to a well-balanced remuneration to senior executives. The Remuneration Committee's evaluation has also shown that the guidelines have been applied correctly and that no deviations have occurred. Ahlsell's auditors have given a statement to the Board of Directors to the effect that Ahlsell has not deviated from the guidelines regarding remuneration to the senior executives.

The Remuneration Committee is, based on conducted market surveys, of the opinion that Ahlsell's remuneration structures and remuneration levels are on market terms.

Stockholm, March 2018

Ahlsell AB (publ)
the Board of Directors