
THE BOARD'S EVALUATION OF THE APPLICATION OF THE GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES FOR 2019

According to the Swedish Corporate Governance Code (the "Code"), the Board of a company that applies the Code must monitor and evaluate programmes for variable remuneration to the executive management, both ongoing programmes and those that have ended during the year, and monitor and evaluate the application of the guidelines for remuneration to senior executives established by the Annual General Meeting, as well as the current remuneration structures and levels in the company.

In accordance with rule 10.3 of the Code, the Board hereby gives the following report on the results of the evaluation. The report covers the period after the Annual General Meeting 2019.

The Board has evaluated the application of the guidelines for remuneration to senior executives adopted by the Annual General Meeting 2019, and concludes that the guidelines have been correctly applied and that there have been no deviations.

The Board has also evaluated the levels of remuneration and the structures of remuneration for group management and concludes that they are at market level and reasonable having in mind the need to recruit and keep personnel with cutting edge expertise.

In the opinion of the Board, remuneration to senior executives shall be designed so as not to encourage excessive or short-term risk-taking, and so as not to lead to remuneration at levels that could be regarded as offensive by the shareholders or the general public. Given the fact that eight out of eleven senior executives do not receive a variable remuneration, other than being covered by the profit-sharing foundation RayFoundation as all other employees (except for the CEO), and that the three who have both fixed and variable remuneration are entitled to variable remuneration at reasonable levels, it is the opinion of the Board that also the company's program for variable remuneration to the senior executives is well balanced and that the adopted guidelines effectively have supported their purpose.

The CEO has not been involved in the evaluation.

Stockholm, May 2020
Board of Directors