

Guiding principles for the remuneration of senior executives

The term “senior executives” covers the President & CEO and the other five members in the Group management team.

The proposal of the Board for 2019, is as follows:

The remuneration to the senior executives shall consist of a base salary, annual variable compensation, long term incentive programs, pension premiums and additional benefits.

The base salary reflects the position, qualification and individual performance.

The size of the annual variable compensation depends on the extent to which predetermined quantitative and qualitative goals are met. The variable compensation is limited to a maximum of 70% of the base salary for the President & CEO, to 60% for the Business Area Executives and to 40% for the other senior executives.

Pension premiums are paid in accordance with a premium based plan within a range of 25-35% of the base salary, depending on age. The standard retirement age is 65 years. Additional benefits consist of company car and private health insurance.

For expatriates certain other benefits apply in compliance with the Company's Conditions for Expatriate Employees.

In case of termination of employment of a senior executive by the Company, the compensation can amount to a maximum of 24 months base salary and a minimum of 12 months base salary depending on age, length of employment and possible income from other economic activity or employment.

The Board reserves the right to deviate from these guiding principles if special reasons for such deviation exist in an individual case.