



## The Board's evaluation of remuneration to senior ÅF executives during 2015 in accordance with sections 9.1 and 10.3 of the Swedish Corporate Governance Code

The Board's evaluation of remuneration to senior ÅF executives is reported as follows.

ÅF's remuneration to members of the senior management consists of both fixed and variable compensation. The variable compensation consists of a short-term component determined by performance based criteria and a long-term component relating to ÅF's long-term goals. In the Board's opinion, the remuneration models of company promote and stimulate ÅF's overall goals.

The long term remuneration models have been in the form of annual performance share programmes or convertible debenture programmes. In 2012 and 2013, all employees in ÅF's Swedish companies were offered to partake in convertible debenture programmes on fair market terms. Performance share programmes were offered to key personnel outside of Sweden.

The convertible debenture programmes were divided into different allocations, where the CEO was guaranteed a subscription of one million SEK and, if the debenture was not fully subscribed, a maximum of three million SEK. The other members of the senior management team were correspondingly guaranteed to subscribe a convertible debenture of five hundred thousand SEK, with a maximum of one and half million SEK. The rate of participation was almost 100 percent amongst the members of senior management team.

For key personnel in ÅF's business outside of Sweden, a performance share programme was offered in 2013 in accordance with the same principles as corresponding programmes of previous years. The programme entails delivering one matching share free of charge to participants who remain employed for three years, regardless of the development of ÅF's earnings per share, and delivering up to five additional matching shares free of charge depending on the development of ÅF's earnings per share. The Board considers it to be of great importance and in the best interest for all shareholders in the company that key personnel in the ÅF Group has a long-term interest of increase in ÅF share value. The Board further believes that long term incentive programmes stimulate employees to continued loyalty and good performance as well as increase the attractiveness for ÅF as an employer.

In 2014, the Annual General Meeting decided to implement a performance share programme on the same terms as in 2013, but with the difference that the programme was also offered key personnel in Sweden as a replacement for previous years' convertible debenture programmes to such personnel.

To encourage finding beneficial solutions to the challenges presented by the integration of Epsilon, a one-off incentive programme was implemented in 2013. The programme was offered to a limited number of key persons and consists of 60% of the fixed salary paid from 2013 through 2015 if certain financial targets connected to the integration are reached at the end of 2015.



The period for determining the Performance Share Programme 2010 share allotment was ended in 2013 and the delivery of matching shares was completed in July 2014. The targets set in the programme were almost reached (97%) and matching was made accordingly.

The period for determining the Performance Share Programme 2011 share allotment was ended in 2014. The targets set in the programme were fully reached (100%) and the matching of shares was commenced as planned in 2014.

Remuneration to members of the senior management team in ÅF is governed by principles prepared by the Board and adopted by the Annual General Meeting. The principles are subject to yearly review by the Board.

The Board concludes that the remuneration paid to members of the senior management team in 2014 has been in accordance with the principles adopted for that year. In addition, the Remuneration Committee of the Board has evaluated the fixed and variable compensation levels and concluded that these are on par with comparable market terms.

The Remuneration Committee is responsible for the compliance and follow-up of the adopted remuneration principles. Follow-up of the compliance with the principles is made annually and the results are reported to the Board in connection with the annual report.

Stockholm, February 2015  
ÅF AB (publ)  
Board of Directors

*This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.*