

Report by AB Industrivärden's Board of Directors on the Compensation Committee's evaluation of executive compensation

AB Industrivärden's board in its entirety, except for the President and CEO, carries out the tasks of a compensation committee under the Swedish Corporate Governance Code. Under the Code, the Compensation Committee's tasks include to monitor and evaluate programmes for variable executive compensation, the application of the guidelines for executive compensation adopted by the Annual General Meeting, and current compensation structures and compensation levels in the company. The Board of Directors presents the following report of the Compensation Committee's evaluation, in accordance with rule 10.3 of the Code.

The Board monitors and has evaluated the Company's programmes for variable remuneration to senior executives. The Board has found that both the short term and the long-term programmes have been structured in such a way that they contribute to the achievement of the Company's financial targets and to an increased value for the Company's shareholders.

The Board has in its evaluation further found that the variable remuneration to senior executives is in line with the principles that the AGM has decided. The remuneration structures and levels within the Company has been found corresponding to market practice.

Stockholm in March 2014

AB Industrivärden

The Board of Directors