

Report by AB Industrivärden's Board of Directors on the Compensation Committee's evaluation of compensation to senior executives

The Compensation Committee in AB Industrivärden carries out the tasks of a compensation committee under the Swedish Code of Corporate Governance ("The Code"). According to the Code, the Compensation Committee's tasks include monitoring and evaluating variable compensation to senior executives, the application of the guidelines for compensation to senior executives 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 Compensation Committee monitors and has evaluated the Company's programs for variable remuneration to senior executives. As part of this process, the Compensation Committee has found that the short-term program is structured to contribute to the achievement of the Group's financial targets as well as to an increased value for the Company's shareholders. In terms of the long-term program, a review has been conducted and it has been concluded that it would be desirable to increase the element of performance targets in the program, and the Board of Directors will therefore propose a revised program to the Annual General Meeting 2016.

The Compensation Committee has in its evaluation further found that variable remuneration to senior executives is in line with the guidelines resolved by the Annual General Meeting. The compensation structures and levels within the Company have been found to correspond to market terms.

Stockholm in March 2016

AB Industrivärden

The Board of Directors