

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, among other things, monitoring and evaluating of (i) variable compensation to senior executives, (ii) the application of the guidelines for compensation to senior executives adopted by the Annual General Meeting, and (iii) 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.

Variable remunerations to senior executives

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 Company 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 of the program was conducted in 2016, whereby the Annual General Meeting 2016 adopted a revised program increasing the element of performance targets. The program that was revised in 2016 was adopted on unchanged terms by the Annual General Meeting 2017. The Compensation Committee has found that the revised program has turned out well.

Guidelines for variable remuneration to senior executives

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 2017.

Compensations structures and levels of the Company

The compensation structures and levels within the Company have been found to correspond to market terms.

Stockholm in February 2018

AB Industrivärden

The Board of Directors