

Proposal by the Board of Directors of Indutrade AB (publ) on guidelines for compensation and other terms of employment for senior executives

The Board proposes that the Annual General Meeting adopt the following guidelines for compensation and other terms of employment for senior executives.

Indutrade shall apply compensation levels and terms of employment necessary to be able to recruit and retain management with high qualifications and the ability to achieve set objectives. The forms of compensation shall motivate members of the executive management to perform their utmost in order to safeguard the interests of the shareholders.

The forms of compensation shall therefore be in line with the going rate in the market and shall be straightforward, long-term and quantifiable. Compensation of members of executive management shall normally consist of a fixed and a variable portion. The fixed salary for members of the executive management shall be in line with the going rate in the market and shall be commensurate with the individual's expertise, responsibilities and performance. The variable portion shall reward achievement of clear goals to improve the Company's and the respective business areas' level of earnings and the Group's growth, in simple and transparent structures. The variable compensation component for members of the executive management shall normally not exceed seven months' salary and may not exceed SEK 14 million.

Incentive programmes in the Company shall mainly be share price related and cover persons in senior positions in the Company who have a significant influence over the Company's results of operations and growth, and shall be based on the achievement of set targets. An incentive programme shall contribute to the long-term commitment to the Company's development and shall be implemented on market terms. The Company may pay out monetary compensation to key executives linked to investments in shares or share-related instruments. Such monetary compensation shall normally not exceed 15 per cent of the fixed annual salary.

Non-monetary benefits for members of the executive management shall facilitate the individuals in the execution of their duties and correspond to what can be considered to be reasonable in respect of practice in the market in which the respective executive is active.

Pension terms for members of the executive management shall be in line with the going rate in the market in respect of what applies for peer executives in the market in which the executive works and should be based on a defined contribution pension solution or correspond to a public pension plan (in Sweden the ITP plan).

Fixed salary during the notice period and severance pay for members of executive management shall in aggregate not exceed a total of 24 months' salary in the event the Company serves notice, and six months' salary in the event the member of the executive management gives notice.

By executive management is meant in this context the President and CEO, the Chief Financial Officer, the Business Area Presidents, the Head of Group Finance and the Head of Business Development.

The Board's Remuneration Committee prepares and drafts proposals for decisions regarding the terms of employment for the President, and the Board evaluates the President's performance on a yearly basis. The Remuneration Committee also prepares and deals with guidelines for remuneration matters regarding members of the executive management, for decisions by the Board. The President consults with the Remuneration Committee regarding the terms of employment for other members of the executive management.

The Board shall have the right to depart from the aforementioned guidelines for compensation of the executive management if there are special reasons in a particular case.

Stockholm, March 2017
Indutrade Aktiebolag (publ)
The Board of Directors