

The Board of Directors' report of the Remuneration Committee's evaluation of remuneration to senior executives

The Board of Directors of Gränges AB has established a Remuneration Committee which since the Annual General Meeting 2015 consists of Anders G. Carlberg, Chairman of the Board of Directors and also Chairman of the Committee, Terje Andersen and Bertil Villard. The employee representative Öystein Larsen has been a co-opted member of the Committee.

The Remuneration Committee's tasks are, among other things, to monitor and evaluate all programmes for variable remuneration to senior executives, to monitor and evaluate the application of the company's guidelines for remuneration to senior executives and the current remuneration structures and levels in the company. In accordance with section 10.3 of Swedish Corporate Governance Code, the Board of Directors gives the following report on the result of the Remuneration Committee's evaluation.

During 2015, the Remuneration Committee has monitored and evaluated the company's programmes for variable remuneration to senior executives and the guidelines for remuneration to senior executives. The Remuneration Committee has taken into account the incentive programmes that the Annual General Meetings in 2014 respectively 2015 resolved to implement. It has been noted that the incentive programme of 2014 was resolved before the company's stock exchange introduction.

At the Remuneration Committee meeting on 3 February 2016, the outcome of the programmes for variable remuneration (STI 2015 and LTI 2015) was presented and it was concluded that these, as well as other remuneration obtained by senior executives in 2015, had been appropriate and in accordance with the remuneration guidelines adopted by the Annual General Meeting. Furthermore, in light of the described outcome, it was concluded that the guidelines had met its objectives and worked as intended. The Remuneration Committee thus assesses that the application of the guidelines for remuneration to senior management has been correct. The Remuneration Committee has also monitored and evaluated the remuneration structures and levels in the company and find these to be well-balanced and in accordance with market conditions. The Committee has also noted that the incentive programmes have been well received.

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Gränges AB (publ)
Board of Directors