

The Board of Directors' of Byggmax Group AB (publ), corporate registration number 556656-3531, proposal for resolution regarding guidelines for the remuneration and other terms of employment for senior executives

The Board of Directors of Byggmax Group AB (Byggmax) proposes that the 2011 Annual General Meeting (AGM) passes a resolution on the following proposals for guidelines for determining remuneration and other terms of employment for the President and other senior executives (Senior Executives).

The overriding policies for remuneration of Senior Executives are that remuneration should reflect the position, the individual's performance, the Group's earnings and be market-based and competitive in the country of employment. Total remuneration to Senior Executives should comprise a fixed salary, variable salary in the form of Short-Term Incentives (STIs) based on annual performance targets, Long-Term Incentives (LTIs) based on performance over a multi-year period as well as pension and other benefits. In addition to the aforementioned are the terms for notice of termination and severance pay. Fixed salaries should be set below median market rates, however, total remuneration, including STIs and LTIs, should enable median market salaries to be exceeded. Total remuneration should be reviewed annually to ensure that it reflects market rates and is competitive. Comparisons should take into consideration the position, the company's size, the level of salary and the individual's experience.

Fixed salary

Fixed salary comprises the basis for total remuneration. The fixed salary should relate to the relevant market and reflect the scope of the responsibility entailed by the position.

Variable salary (STIs)

In addition to their fixed salaries, Senior Executives should receive STIs for performance that surpasses one or more predetermined performance targets during the fiscal year. Remuneration from the STI program is limited to a maximum of 100% of the fixed salary for the President and 30% of fixed salary for other Senior Executives, which means that Byggmax can immediately calculate the maximum variable remuneration level. STIs are measured applying qualitative and quantitative standards. The maximum cost of the Byggmax Group's STI program is estimated to amount to SEK 3.1 million (excluding social security contributions).

LTIs

At present Byggmax has no LTI program. The Board of Directors has evaluated the need for such a program and determined to propose a warrant-based incentive program to the 2011 AGM as a separate proposal for resolution.

Pension

Pension agreements should, if possible, be defined-contribution based and formulated in line with the levels and practice in the country of employment of the Senior Executive.

Other benefits

Other benefits may apply in accordance with the terms applicable for the country of employment of the Senior Executive. All such benefits should be as limited in scope as possible and are not permitted to comprise a significant proportion of total remuneration.

Notice period and severance pay

Senior Executives should be offered terms complying with legislation and practices in the country of employment of the Senior Executive. During the notice period, Senior Executives should be prevented from working in a competing business. In specific cases, a non-competition clause against continued compensation is applicable for a period of up to 24 months after termination of the notice period. At present, the longest notice period in the Byggmax Group is 12 months and no severance pay agreement exists in any employment contract.

The Board of Directors should have the right to depart from the aforementioned guidelines if the Board of Directors deems in an individual case that there are reasons justifying it.

Board of Directors, March 2011