

## **The Board of Directors' of Byggmax Group AB (publ) Corp. Reg. No. 556656-3531 (the "Company") report on the evaluation of remuneration to senior executives**

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Under the Swedish Corporate Governance Code (the "**Code**"), the Board of a company listed on a regulated market in Sweden must establish a remuneration committee tasked, primarily, with preparing items pertaining to remuneration policy, remuneration and other employment terms for senior executives for decision by the Board. Further, the remuneration committee must monitor and evaluate programs for variable remuneration to Company management, both ongoing and those concluded during the year, as well as monitor and assess the application of the guidelines for remuneration of senior executives, which the Annual General Meeting is legally required to pass resolution on and the applicable remuneration structures and levels in the Company. If the Board deems it more suitable, the full Board can discharge the tasks of the remuneration committee with the prerequisite that any Board member who is a member of the Company management is excluded from participating in this work.

The Board of the Company deemed it appropriate that the full Board discharge the tasks of the remuneration committee.

### ***The Board's work***

At the Board meeting on March 5, 2013 an evaluation was made of variable remuneration to Company management and the guidelines for remuneration of senior executives approved by the Annual General Meeting and the applicable remuneration structures and levels in the Company.

### ***The Board's evaluation and assessment***

In its work, the Board has taken into consideration that remuneration of senior executives is aimed at enabling the retention of and, when applicable, recruitment of qualified and competent senior executives. For these purposes, it is necessary to maintain just and internally balanced terms and conditions that, in parallel, are at competitive market rates in terms of structure, scope and level.

The Board has evaluated the need for a further incentive program in the Company and decided to propose that the 2013 Annual General Meeting resolve to adopt a warrant-based incentive program. The Board deems it important and in the interest of all shareholders that the employees of the Byggmax Group have a long-term interest in a favorable trend in the Company's share price. A warrant-based incentive program for the Byggmax Group's employees enables the reward of employees to be linked to the Company's future earnings and value trends. Long-term growth in value is thereby prioritized and the goals of shareholders and the employees concerned coincide. In addition, share-related incentive programs create a Group-wide focus for these employees and thus prioritize actions for the long-term. The incentive program is assessed as facilitating the recruitment and retention of key employees.

In its evaluation, the Board found that otherwise the remuneration structures and levels, including programs for variable remuneration, for senior executives in the Company were appropriate. This applies equally to other terms of employment.

Furthermore, the Board found that remuneration received by senior executives was in accordance with the guidelines approved by the Annual General Meeting. Accordingly, the application of the guidelines for remuneration to senior executives was correct.

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Stockholm, April 2013

**The Board of Directors of the Bygghem Group AB (publ)**