

## **The Board of Directors' of Byggmax Group AB (publ), corporate registration number 556656-3531, (the "Company") proposal for resolution regarding guidelines for the remuneration for senior executives**

---

The Board of Directors proposes that the 2016 AGM passes a resolution on the following proposals for guidelines for determining remuneration and other terms of employment for the President (the "President") and other senior executives ("Senior Executives"). The proposal for guidelines for determining remuneration and other terms of employment for the President and Senior Executives is the same as those guidelines adopted at the 2015 AGM, with the exception that a proposed warrants program is not included in the proposal.

The overriding policies for remuneration of Senior Executives are that remuneration should reflect the position, the individual's performance and 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 come the terms for notice of termination and severance pay. Fixed salaries should be set below market averages. However, overall remuneration, including STIs and LTIs, entails that the market average may 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 (Short Term Incentives "STI")**

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 management, which means that the Company can immediately calculate the maximum variable remuneration level. STIs are measured with qualitative and quantitative measures. The maximum cost of the Byggmax Group's STI program is estimated to amount to a maximum of SEK 6.0 million (6), excluding social security contributions.

### **Long Term Incentives ("LTI")**

The 2013 and 2015 AGMs resolved on LTI programs in the form of a warrants-based incentive program. The incentive programs are described in Note 9 of the 2015 Annual Report and can be viewed on the Company's website, [www.byggmax.com](http://www.byggmax.com).

### **Pension**

Where possible, pension agreements should be premium-based and designed in accordance with the levels and practices applicable in the country where the Senior Executive is employed.

**Other benefits**

Other benefits may apply in accordance with the terms applicable for the country of employment of the Senior Executive. However, 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 prevailing 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-compete 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 has the right to deviate from the aforementioned guidelines if the Board deems that it is motivated in specific cases.

---

Board of Directors, March 2016