

The report by the Board of Gunnebo AB (publ) on the Remuneration Committee's evaluation of remuneration to senior executives

The Board of Directors of Gunnebo AB has established a Remuneration Committee, which since the Annual General Meeting 2014 has consisted of the Chairman of the Board Martin Svalstedt (also chairman of the committee), Mikael Jönsson and Göran Bille. The Remuneration Committee shall, amongst other things, monitor and evaluate all programs for variable remuneration to senior executives, the application of the principles for remuneration to senior executive and current remuneration structures and levels in the company.

In accordance with paragraph 10.3 in Swedish Code of Corporate Governance, the Board of Directors hereby gives the following report regarding the result of the evaluation.

The total remuneration to senior executives shall consist of fixed salary, variable remuneration including long-term incentive programmes, pension and other benefits.

The variable remuneration 2014 consisted of annual variable salary and long-term incentive programmes.

The variable salary shall be dependent upon the individual's achievement of specific quantitative financial business objectives and shall not exceed 50% of the fixed salary.

In respect of long-term incentive programs, the company currently has two ongoing programs consisting of warrants (*Sw. teckningsoptioner*). These programs were adopted by the Annual General Meetings in 2011 and 2012 respectively. In the program from 2011, 49 senior executives and other key persons in the group were offered to acquire a total of 575,000 warrants. One warrant gives the holder a right to subscribe for one new share in Gunnebo AB for a price of SEK 44.20 during certain periods 2014-2015. In the program from 2012, 50 senior executives and other key persons in the group were offered to acquire a total of 585,000 warrants. One warrant gives the holder a right to subscribe for one new share in Gunnebo AB for a price of SEK 31.40 during certain periods 2015-2016.

During 2014, a third warrant program adopted by the Annual General Meeting 2010 has expired. Within this program, 46 senior executives and other key persons in the group were offered to acquire a total of 550,000 warrants and one warrant gave the holder a right to subscribe for one new share in Gunnebo AB for a price of SEK 32.00 during certain periods 2013-2014. A total of 259,403 new shares have been registered under the program.

During 2014, the Remuneration Committee has monitored and continuously evaluated the company's programs for variable compensation to senior executives. The Remuneration Committee assesses that these programs contribute to the achievement of the wanted level of community of interests between the senior executives and the shareholders and also that the programs enable the company keep its senior executives. In order to further strengthen the senior executives' commitment and community of interests with the shareholders, the Board of Directors has proposed the Annual General Meeting 2015 to adopt a new long-term saving share save based incentive program ("LTI 2015") for senior executives and a number of other key persons in the group.

The Remuneration Committee has also during 2014 monitored and evaluated the application of the principles for remuneration to senior executives decided by the Annual General Meeting. The Remuneration Committee concludes that the principles have been well adapted and that they have been followed, however with one exception. The exception, which concerns an agreement concluded during 2015 with a new CEO for the company, is in accordance with the right for the Board of Directors to deviate from the principles under certain conditions as decided by the Annual General Meeting.

It is the opinion of the Remuneration Committee that the remuneration structures and levels applied by the Gunnebo group are on market terms, are well adapted and well-balanced with regard to the possibilities to recruit and keep qualified senior executives.

Göteborg, March 2015
GUNNEBO AB (publ)
The Board of Directors