

## **The Board of Directors' report on evaluation of compensation of senior management of Mekonomen Aktiebolag**

The Board of Directors of Mekonomen Aktiebolag (publ) has formed a Compensation Committee. The Compensation Committee consists of Fredrik Persson (chairman), Marcus Storch and Anders G Carlberg. Since the 2012 Annual General Meeting (AGM), the Compensation Committee has held three meetings. The Compensation Committee shall monitor and evaluate the company's programme for variable compensation of senior executives, monitor and evaluate the application of the guidelines for compensation of senior executives as adopted by the AGM, including the structures and levels for compensation in the company. The Board of Directors hereby submits its report on the result of the evaluation performed by the Compensation Committee.

Senior executives may obtain a short term variable compensation based on the performance of the Mekonomen group and individual qualitative parameters. The highest possible level according to the guidelines was 60 per cent of the fixed salary for the CEO and 33 per cent of fixed salary for the other senior executives. A special three-year programme of variable compensation runs parallel to the short term programme for the CEO and the other senior executives, which will be calculated on the result of the Mekonomen Group for the financial years 2011-2013. The outcome of this programme will be evaluated after the expiry of the financial year 2013.

The outcome of the programme for variable compensation attributable to 2012 has been presented to the Board of Directors and it was thereafter established that the programme have been appropriate and, like other compensation obtained by senior executives in 2012, in accordance with the guidelines adopted by the 2012 AGM. The guidelines have fulfilled their purpose and functioned as intended and the application of the guidelines has been correct. Furthermore, the Compensation Committee has monitored and evaluated the structures and levels for compensation that apply for senior executives in the company, and the Compensation Committee finds these to be in line with the going rate in the market and to be well-balanced.

This report has been prepared in accordance with section 10.3 of the Swedish Code of Corporate Governance.

Stockholm, March 2013

MEKONOMEN AKTIEBOLAG

*The Board of Directors*

*This is a translation of the Swedish original wording. In case of discrepancies, the Swedish version shall prevail.*