

The Board of Directors' evaluation of the company's guidelines for salary and other remuneration of the CEO and other members of the company's management applied during the 2013 fiscal year

*Summary of the company's guidelines for salary and other remuneration of the CEO and other members of the company's management*

Remuneration of the CEO and other senior executives consists of a fixed salary, variable remuneration, pension and other benefits. Framework conditions for the variable remuneration paid to these executives are determined by the Board. The variable remuneration potentially payable to the CEO and other senior executives is linked to predetermined and measurable criteria, which have also been designed to promote long-term value generation in the company. In addition, the maximum outcome of variable remuneration is subject to distinct limits.

*Annual process*

The guidelines are resolved at the Annual General Meeting (AGM). Remuneration paid to the CEO is proposed by the Chairman and adopted by the Board in accordance with the guidelines. The CEO does not participate in this decision. Remuneration of other senior executives is proposed by the CEO and approved by the Chairman of the Board in accordance with the guidelines. The term "other senior executives" pertains to the executives who, in addition to the CEO, comprise Group Management.

*Evaluation*

The Board has evaluated the application of the guidelines resolved by the AGM in 2013, in accordance with the summary below:

	<b>PRESIDENT AND CEO</b>	<b>Other members of Group Management</b>
<b>Fixed salary</b>	<i>The salary is market-aligned in accordance with well-established and local-market salary statistics.</i>	<i>The salaries are market-aligned in accordance with well-established and local-market salary statistics.</i>
<b>Variable remuneration</b> (Short Term Incentive – STI)	<i>The maximum STI outcome of 40 percent provides a relevant and market-aligned balance between fixed and variable remuneration in accordance with well-established and local-market salary statistics, as well as a desired balance between fixed and variable costs. The STI targets have been set at a reasonable level and in accordance with correct principles since, historically speaking, the outcome has varied in a reasonable manner.</i>	<i>The maximum STI outcome of between 30 and 40 percent provides a relevant and market-aligned balance between fixed and variable remuneration in accordance with well-established and local-market salary statistics, as well as a desired balance between fixed and variable costs. The STI targets have been set at a reasonable level and in accordance with correct principles since, historically speaking, the outcome has varied in a reasonable manner.</i>
<b>Variable remuneration</b>	<i>According to the analysis conducted by the Board, most comparable companies offer some form of share-</i>	<i>According to the analysis conducted by the Board, most comparable companies offer some form of share-based</i>

<b>(Long Term Incentive – LTI)</b>	<i>based incentive program. A maximum LTI outcome of 40 percent provides a relevant and market-aligned balance between fixed and variable remuneration in accordance with well-established and local-market salary statistics, as well as a desired balance between fixed and variable costs.</i>	<i>incentive program. A maximum LTI outcome of 30 percent provides a relevant and market-aligned balance between fixed and variable remuneration in accordance with well-established and local-market salary statistics, as well as a desired balance between fixed and variable costs.</i>
<b>Pension</b>	<i>In the Board's opinion, pension commitments comply with standard practices in the Swedish market.</i>	<i>In the Board's opinion, pension commitments comply with standard practices in the local market.</i>
<b>Other benefits</b>	<i>Paying salary during the notice period and severance pay according to employment contract complies with the provisions of the Swedish Code of Corporate Governance. Other benefits constitute only a limited value.</i>	<i>Paying salary during the notice period and severance pay according to employment contract complies with the provisions of the Swedish Code of Corporate Governance. Other benefits constitute only a limited value with one exception, whereby the Board exercised its right, in isolated cases and for specific reasons, to disapply the guidelines.*.</i>

*\* During 2012, an agreement was reached with a newly employed senior executive concerning payment of special remuneration to compensate this executive for the loss of remuneration under the long-term incentive program of a former employer. This special remuneration includes participation in the incentive program for 2012 (LTI 2012) plus cash remuneration corresponding to five monthly salaries. The cash remuneration is being paid in two equal parts during 2013 and 2014 and presumes that the executive continues to be employed at the particular payment occasion.*

In addition, the Board states that the NCC Group was able to both recruit and retain its employees during 2013, thus indicating that the remuneration levels are market-aligned, but not too high. Accordingly, the Board is of the opinion that the current remuneration structures and remuneration levels for the CEO and members of Group Management are reasonable, competitive and functional.

Against this background, the Board's assessment is that the salary and other remuneration paid to the CEO and other senior executives are being applied in accordance with the guidelines.