

## **The board of directors' proposal for guidelines for compensation and other terms of employment for the management**

The board of directors of Mekonomen AB (publ) ("Mekonomen") proposes that the 2010 annual general meeting adopts the following guidelines for compensation and other terms of employment for the management.

Mekonomen shall offer its management competitive compensation which enables the Mekonomen group to recruit and retain the management. The board of directors is of the opinion that it is important that there is a clear relationship between the compensation and the values and financial objectives of the Mekonomen group, both in the short-term and the long-term.

The board of directors' proposal for guidelines for compensation and other terms of employment for the management mean that the company shall offer its management competitive compensation based on the following criteria: the importance of the tasks performed the level of competence required, experience and performance and that the compensation shall consist of the following components:

- fixed base salary,
- variable compensation,
- retirement benefits,
- other benefits, and
- severance terms.

By management is meant the managing director and the other persons in the executive committee, at the present nine persons.

The proposal of the board of directors for guidelines is in accordance with previous year's compensation principles and it is based on agreements in place between the company and its management.

The compensation to the management is set by the compensation committee of the board of directors.

### **Fixed base salary**

The management shall receive a fixed base monthly salary which shall be competitive in comparison with the market conditions. The fixed salary constitutes compensation for committed work performed at a high professional level, which creates added value for the customers, shareholders and personnel of Mekonomen.

### **Variable compensation**

The senior management shall in addition to the fixed base salary be offered a variable compensation which shall be based on the fulfilment of Mekonomen's objectives for:

- the result of the Mekonomen group, and
- individual qualitative parameters.

The allocation between base salary and variable compensation shall be proportionate to the responsibility and authority of the member of the management. The variable compensation to the managing director and other management amounts to a maximum of 50 per cent of the base salary for the managing director and a maximum of 33 per cent of the base salary for other members of the management.

In addition thereto a separate program for variable remuneration applies over three years for the management calculated on the result of the Mekonomen group for the financial years 2008 – 2010. The compensation under this program for the managing director and other management is for each participating member limited to a maximum of 22 per cent of each such person's annual fixed salary during the three year period. The criteria for deciding the amount for each participating member of the management in this separate program is decided by the board of directors. The annual general meeting in 2009 adopted the guidelines in this respect under the corresponding item.

The right to variable compensation expires upon resignation made by a management member, provided resignation precedes the disbursement of the compensation.

#### Other benefits etc

Other benefits consist mainly of car benefit and pension scheme. Pension benefits are paid with an amount based on the Swedish ITP-plan or the corresponding system for employees abroad. The pension qualifying income is the base salary. However, the managing director's pension benefit amounts instead to a maximum of 29 per cent of the base salary. Severance pay upon termination from the company amounts to a maximum of twelve month's salary.

All previously decided compensation that has not yet been paid out is within the parameters set out above.

The guidelines adopted by the annual general meeting 2009 have been followed.

The board of directors is authorized to depart from these guidelines if warranted by special reasons in individual cases.

Stockholm in March 2010

*The Board of Directors*

MEKONOMEN AKTIEBOLAG (publ)

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