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THE BOARD'S PROPOSAL FOR RESOLUTION ON APPROVAL OF GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Concentric AB has established principles and forms for remuneration to senior executives. The board and its Compensation Committee resolve on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The board proposes that the general meeting adopts the following guidelines for the establishment of remuneration to the Chief Executive Officer (CEO) and other senior executives. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter.

The board may deviate from the guidelines below in individual cases if special causes or needs exist. In case of deviation, Swedish law requires that information on and reasons for the deviation be appended to the board's forthcoming proposal for guidelines. According to Swedish law, the company's auditor must also annually provide a statement to the board whether there has been compliance with the guidelines or not.

General

It is of fundamental importance to the company and its shareholders that the guidelines for remuneration to senior executives, in both a short and long term perspective, enable the company to attract and retain senior executives and other employees with excellent competence. To obtain this it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels.

The terms of employment for senior executives shall consist of a balanced combination of fixed salary, annual bonus, long-term incentive programme, pension and other benefits and terms for dismissal/severance payment.

The total annual monetary remuneration, i.e. fixed salary, bonus and other long-term monetary remuneration, shall be in accordance with market practice on the relevant market where the senior executive operates. The total level of the compensation will be evaluated annually to ensure that it is in line with market practice for corresponding positions within the relevant market.

The remuneration should be based on performance. It should therefore consist of a combination of fixed salary and bonus, where the variable remuneration forms a relatively substantial part of the total remuneration, but it is understood that the bonus is always capped to a pre-defined maximum amount.

The annual report 2018 sets out details of the total remuneration and other benefits awarded to the senior executives during 2018.

Remuneration and remuneration forms

The remuneration system of the company consists of various forms of remuneration in order to create a well-balanced compensation that fosters and supports management and achievement of goals in both a short and long-term perspective.

Fixed remuneration

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

Annual bonus

Senior executives have an annual bonus that is payable after each year end. The annual bonus is structured as a variable part of the fixed salary. Bonus goals shall primarily be based on the outcomes of financial objectives for the entire company as well as clearly defined individual goals with respect to specific assignments. The latter is to ensure that the senior executive also focuses on non-financial targets of specific interest.

Bonus related financial objectives for the company shall be established by the board annually in order to ensure that they are in line with the company's business strategy and profit targets. On behalf of the board, the Compensation Committee establishes the financial objectives for individual units proposed by the CEO.

The part of the total remuneration consisting of the annual bonus varies depending on position and may be up to 50 percent of the fixed annual salary at full goal achievement. The bonus goals are constructed so that no bonus will be paid if a certain minimum performance level is not achieved. All bonus schemes within the organisation are discretionary and payable only after approval by the Compensation Committee unless payment is guaranteed by an existing legal agreement or contract.

Application of variable pay guidelines

Under pre-existing employment contracts, there are ongoing deviations from the variable pay guidelines outlined above in respect of the CEO, whereby he may be entitled to an annual bonus of up to 80 percent of his fixed salary at full goal achievement.

Long-Term Incentive Programme

In order to foster a long-term perspective in the decision-making and to ensure long-term achievement of goals, the board may propose the general meeting to resolve on long-term incentive programmes.

The board uses long-term incentives in order to ensure that senior executives within the company have a long-term interest in a stable value increase of the Concentric share. By implementing an incentive programme that is connected to the company's profits and at the same time its increase in value, the long-term growth of the company is rewarded and fostered. Further, long-term incentive programmes also aim to make the company a more attractive employer, which contributes to the company's ability to retain key employees within the group as well as to recruit new key employees.

Potential remuneration in the form of long-term incentive programmes shall be in accordance with market practice on each relevant market.

Pension

When entering into new pension agreements with senior executives who are entitled to pension, the pension shall be based on defined contribution plans. Senior executives retire in accordance with local regulations on pension. As a main principle, pension premiums are based solely on fixed salary. Certain adjustments may occur in individual cases in accordance with market practice on each relevant market.

Other benefits

Other benefits, such as company car, compensation for healthcare and health and medical insurance shall form a minor part of the total compensation and shall correspond to what may be deemed market practice on each relevant market.

Special remuneration

In addition to the above described remunerations, agreements on additional remunerations may be made in exceptional situations, for example when considered necessary to attract and retain key personnel or induce individuals to move to new places of service or accept new positions. Such special remunerations shall be limited in time and may not exceed 36 months. Further, the total remuneration must not exceed an amount equivalent to two times the remuneration the individual would have received in the absence of an agreement on special remunerations.

Terms for dismissal and severance payment

Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each relevant market. The CEO has a notice period of 12 months. Other senior executives have a notice period up to 6 months. In addition hereto, when entering into new employment contracts, agreement may be made with senior executives on severance pay upon termination of employment by the company, corresponding to a maximum of 12 months' fixed salary. Upon termination of employment, market practice on each relevant market where the senior executive operates shall be complied with.

Costs

Information on the estimated costs for the variable remuneration to senior executives in accordance with the board's proposal can be found in the attached Appendix.

Stockholm in February 2019

Concentric AB (publ)

The board of directors

Estimated costs for variable remuneration

The costs for the 2019 annual bonus scheme to senior executives according to the proposal of the board is estimated to, based on the present level of remuneration and at full outcome, which is subject to all targets qualifying for remuneration being fulfilled, amount to a total of MSEK 8.6 (inclusive of employer social security payments), of which the costs related to the CEO is estimated to amount to MSEK 3.8. The calculation is based on the present senior executives. The costs may change if the number of senior executives is increased.

Remunerations previously decided but not yet due

At the time of the annual general meeting on 4 April 2019, Concentric has no unsettled obligations of remuneration, except ongoing obligations to senior executives in accordance with the principles of remuneration described in the annual report.