

The Board of Directors' evaluation of compensation of senior executives of Axis AB (publ)

Axis' compensation of senior executives is established in the guidelines that are decided on each year by the Annual General Meeting. The objective of Axis' remuneration policy for the senior executives is to offer compensation that promotes retaining and recruiting skilled expertise to the company. To monitor this, the Board has established a Remuneration Committee.

Remuneration Committee

The task of the Remuneration Committee is to prepare decisions and guidelines relating to salary and employment conditions for the management team (including the CEO) and other personnel. The Committee shall ensure that the guidelines for determination of salaries and other remuneration to the CEO and other persons in the management team, adopted by the Annual General Meeting are followed. The Remuneration Committee shall report to the Board on an ongoing basis. The Committee is appointed at the Statutory Meeting following the Annual General Meeting and was, in 2011, composed of Lars-Erik Nilsson (chairman and convener) and Olle Isberg.

Evaluation of compensation of senior executives in 2011

In accordance with the Swedish Corporate Governance Code, during the year the Remuneration Committee monitored and evaluated whether the principles which were adopted by the 2011 Annual General Meeting have been complied with, and whether the outcome meets the intended purposes. This evaluation was then presented to the entire Board, which was able to ascertain that compensation structures as well as compensation levels, including levels for variable compensation, closely adheres to the principles and fulfilled the purposes on which it was based. This also applies to other conditions of employment for the senior executives. The application of the guidelines regarding compensation to senior executives has, thus, been correct and has met the intended purposes. In addition, the Board is of the opinion that a well-working process is in place for evaluating compensation within the Group, which includes – among other things – an independent evaluation performed by an external party.

The principles for compensation of senior executives of Axis are posted on the Company's website, www.axis.com, and in the annual report.

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The Board of Directors of Axis AB (publ)