

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 Committee members are Fredrik Persson (chairman), Marcus Storch and Anders G Carlberg. Since the 2011 Annual General Meeting (AGM), the Compensation Committee has held four meetings.

The Compensation Committee monitors and evaluates the company's programme for variable compensation of senior management. The Committee also monitors and evaluates the application of the guidelines for compensation of senior management as adopted by the AGM, as well as the structures and levels for compensation in the company. The Compensation Committee has reported the outcome of its work to the Board of Directors. The Board of Directors hereby submits its report thereon.

Variable compensation

The outcome of the programme for variable compensation attributable to 2011 was appropriate.

Regarding the short term variable compensation based on the result of the Mekonomen Group and individual qualitative parameters in 2011, the variable compensation of the Managing Director amounted to 28 per cent of the fixed salary and for the other members of the senior management to an average of 13 per cent of the fixed salary (the highest possible level according to the guidelines was 60 per cent for the Managing Director and 33 per cent for the other members of the senior management).

A special three-year programme of variable compensation runs parallel to the short term programme for the Managing Director and the other members of the senior management, 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.

Application of guidelines for compensation of senior management

The compensation received by senior management for 2011 has been in compliance with the guidelines adopted by the AGM. The guidelines have fulfilled their purpose and functioned as intended. The application of the guidelines for compensation of senior management has in accordance therewith been correct.

Applicable compensation structure and compensation levels

The structures and levels for compensation that apply for senior management in the company are deemed 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 Corporate Governance Code.

Stockholm, May 2012

MEKONOMEN AKTIEBOLAG

The Board of Directors