

The Board of Semcon AB (publ), corporate identity number 556539-9549 ("the company") evaluation report on remuneration to senior executives.

The Board, which in its entirety makes up the company's remunerations committee, has carried out an evaluation that appears in 9.1, item 2 and 3 of the Swedish Code of Corporate Governance.

The evaluation concluded that the guidelines decided on by the Annual General Meeting in 2017 on remuneration to senior executives, were followed during the year except for one case, where the Board exercised its right to deviate from the guidelines. The difference relates to bonus agreements made with three senior executives involving a possible bonus payment amounting to approximately nine monthly salaries during 2018 instead of six monthly salaries as according to guidelines. The Board determined that there were special circumstances for the deviation considering the need to ensure market conditions for senior executives.

The evaluation also concluded that the company's variable remuneration to senior executives, remuneration structures and remuneration levels are appropriate and in line with market practice. A suggestion for 2018 to be able to ensure continued conditions adjusted to the market is that a possible cash bonus of maximum nine monthly salaries shall be possible, instead of as the previous six monthly salaries. For the same purpose, the Annual General Meeting is proposed to decide about introducing a long-term performance-based share savings scheme, since the investment time for the previous share savings schemes has expired.

Göteborg, March 2018

Semcon AB [publ]

The Board