

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 2018 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 changes in the employment contract for the CEO implying a severance pay and notice salary up to a maximum of 18 monthly salaries [compared with a maximum of twelve monthly salaries for severance pay and notice salary in the guidelines adopted by the AGM 2018]. The Board determined that there were special circumstances for the deviation considering the need to ensure market conditions for the CEO.

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 2019 to be able to ensure continued conditions adjusted to the market is that a possible severance pay and notice salary may amount up to a maximum of 18 monthly salaries for senior executives.

Göteborg, March 2019

Semcon AB [publ]

The Board