

The Board of Directors' proposal concerning principles for compensation to the company management 2008 (item 16)

Company management is defined as the President & CEO and other members of the Group Management Board. These principles will apply to all agreements entered into after the Annual General Meeting 2008. Compensation and other benefits to the company management as of today are presented in the annual report 2007.

The total remuneration shall be competitive on the local market where the employee is based in order to attract, motivate and retain highly skilled employees. Individual remuneration shall be based on the employees experience, competence, responsibility and performance.

Total remuneration shall be based on four main components; base salary, short term incentives, pension benefits and long term incentives.

Base salary: The base salary shall be in line with local market conditions and shall be based on experience, competence, responsibility and performance.

Short term incentives: Short term incentives (variable salary) shall be in line with local market conditions and reward growth, earnings of the business and have a uniting effect for the group. Short term incentives shall be based on pre-defined targets, both quantitative and qualitative, agreed with the employee. There shall be a maximum for the variable salary, normally 50 percent of the base salary.

Pension: Pension benefits may be offered to the company management, depending on local market conditions.

Notice and severance payment: A mutual termination period of 3-9 months shall apply for the company management. Severance payment, if any, shall not exceed 12 months basic salary if the company terminates the employment. If the employee terminates the employment he/she should normally not be entitled to any severance payment.

Long term incentives: In addition to short term incentives which reward growth and profitability during a financial year, the Board intends to offer the company management and other key employees to participate in a long term incentive program. The Board prefers long term incentives to be share-based, performance-based and conditional on continued employment with the company. They shall, at the time of grant, be limited to a maximum value of six months' base salary.

Further information about the proposed long term incentive program 2008 will available in a separate document on the company's web site and will be distributed at the annual general meeting (item 17 on the agenda).

Other benefits: Other benefits such as company cars shall have a limited value in relation to the total compensation.

Matters regarding the terms of employment for the President & CEO will be decided by the Board. The President & CEO decides the terms of employment for the other company management after approval from the Remuneration Committee.

The Board or the Remuneration Committee may deviate from these principles if special reasons are at hand in an individual case.

Stockholm in April 2008

The Board of Directors