

TRANSLATION OF THE ORIGINAL SWEDISH

The proposal of the Board of Directors of JM AB for resolution at the Annual General Meeting on March 28, 2019, to adopt guidelines for salary and other remuneration to senior executives

Compensation to the CEO and other senior executives will consist of a fixed component, short- and long-term variable components, pension benefits and other benefits. "Other senior executives" refers to Executive Management. Total compensation must be at market rates and competitive in the labor market in which the executive works. Fixed salary and short-term variable salary program will be related to the executive's responsibilities and authorities. The short-term variable salary program for senior executives will be capped at 50 percent of fixed salary. The short-term variable salary program will be based on performance in relation to established targets, which is usually the externally reported operating profit before tax, earnings per share and Customer Satisfaction Index. Long-term variable salary programs can be equity and/or cash-related and will be performance-based and, at the time of commitment, be capped at 50 percent of fixed salary.

Termination of employment is normally subject to a mutual period of notice of six months. If notice of termination is given by JM, severance pay equivalent to six months' salary should also be payable.

Pension benefits shall be either defined-benefit or defined-contribution, or a combination thereof, and the normal retirement age is 65.

The Compensation Committee will draft and the Board of Directors will approve the remuneration policy for the President and senior executives.

The Board shall have the right to depart from the guidelines if extenuating circumstances are present in the individual case.

JM AB (publ)
Board of Directors