

Proposal by the Board of Directors for guidelines for the remuneration of senior executives (item 14 on the agenda)

The Board of PA Resources AB (publ) ('PA Resources') proposes that the Annual General Meeting (AGM) on 17 May 2011 passes a resolution on the following guidelines for setting the salary and other remuneration of senior executives at PA Resources, to apply until the end of the AGM to be held in 2012. This proposal on guidelines for remuneration of senior executives corresponds with the resolution of the AGM in 2010.

General

PA Resources should have the remuneration levels and terms of employment required to secure its access to executives with the skills and capacity required to achieve the objectives set and be adapted to the company's costs, while taking into account the competence of the individual executive. Consequently, the overall principle for the salary and other remuneration for senior executives at PA Resources is that it should be in line with market conditions and adapted to the company's costs.

Fixed salary

The basis for the remuneration of senior executives is that remuneration will be paid in the form of a fixed market rate salary, which should be set individually on the basis of the above criteria and the particular competence of the executive concerned.

Pension benefits

The pension conditions for senior executives should be in line with market conditions generally applicable for equivalent executives in the market and be individually adapted to the particular competence of the executive concerned as well as adapted to the company's costs. Pension provisions shall be on a defined contribution basis.

Non-monetary benefits

The non-monetary benefits for senior executives (such as mobile phone and PC) should facilitate the performance of their work and be equivalent to what may be considered reasonable in relation to market practice.

Pay during notice period and severance pay

Pay during the notice period and severance pay should not in any case exceed a total of 18 monthly salaries.

Variable remuneration

In addition to the fixed salary it should be possible to offer variable remuneration, when appropriate. This remuneration should be related to clear predetermined, measurable objective criteria that promote long-term value creation for the company and are also based on simple and transparent structures.

Where variable remuneration of senior executives may be appropriate, this should be set (a) on the basis of the fulfilment of predetermined Group and individual targets for management and production results, and the company's financial development, with the aim of promoting the long-term value creation for the company as well as (b) taking into account the personal development of the executive concerned.

Variable remuneration should in aggregate monetary terms not exceed the fixed salary paid to the executive concerned during the period covered by the variable remuneration.

The AGM should pass a resolution on all share-based incentive programmes.

Executives encompassed by the guidelines

These guidelines currently encompass the President and the CFO of the company, being the executives belonging to Group management.

Information about remuneration previously resolved upon and which is not yet due for payment

In the financial year 2008, the Board of Directors of the company resolved to adopt guidelines for a bonus programme for the PA Resources Group encompassing three different categories "senior executives, key staff and other qualified employees". The bonus programme consists of a 'stay-on' bonus component and a bonus component based on the share price. The bonus programme is not based on warrants, staff warrants, synthetic warrants or other securities; it affords instead an opportunity to receive bonus remuneration based on the staff member staying on for a period of three years, and also the performance of the company's share during a qualifying period of three years.

According to the terms of employment applicable to the company's President, Bo Askvik, approved by the Board of Directors, he is entitled to an individual performance-based bonus remuneration amounting to a maximum of two (2) monthly salaries per year, and has since 2008 been encompassed by the company's bonus programme linked to the share price within the category 'senior executives'. The bonus linked to the share price accrues up to and including 31 January 2012 with 14.92 kronor as the reference price, which was revised in September 2009 and recalculated to take into account the preferential rights issue in 2010. The bonus linked to the share price may yield a maximum payment amounting to four (4) years' salaries and is conditional upon Bo Askvik staying on (except in the case of a significant change of ownership). Any bonus remuneration will be paid in arrears.

According to the terms of employment applicable to the company's CFO, Nicolas Adlercreutz, approved by the remuneration committee/the Board of Directors, he is entitled to an individual performance-based bonus remuneration amounting to a maximum of three (3) fixed monthly salaries per year, and has since 1 September 2010 been encompassed by the company's stay-on programme and bonus programme linked to the share price within the category 'key staff'. Both programmes accrue for three years up to and including 31 August 2013 and conditional upon him staying on. The start price for the programme linked to the share price was set at 5.51 kronor. The stay-on bonus may yield a maximum bonus remuneration comprising six (6) monthly salaries and the bonus programme linked to the share price may yield a maximum bonus remuneration comprising two (2) years' salaries. Any bonus remuneration will be paid in arrears.

Deviation from the guidelines when there are special grounds

The Board is empowered to deviate from these guidelines if there are special grounds to do so in an individual case.

Stockholm, March 2011
PA Resources AB (publ)
Board of Directors