

Proposal by the Board of Directors of PA Resources AB (publ) for a report on the evaluation by the Remuneration Committee on remuneration for senior executives

According to the Swedish Code of Corporate Governance, the Board of Directors must establish a remuneration committee, whose task is to prepare decisions for the Board concerning the issue of principles for remuneration, salaries and other terms of employment of the senior management, monitor and evaluate programmes for variable remuneration for the senior management that are ongoing or have been concluded during the year, and also monitor and evaluate the application of the guidelines on remuneration for senior executives for which the AGM is according to law obliged to decide on and also regarding remuneration structures and levels of remuneration within the company.

PA Resources' Remuneration Committee

The Board of Directors for PA Resources has established a Remuneration Committee comprising Lars Olof Nilsson, Catharina Nystedt Ringborg and the Chair of the Board Sven Rasmusson as Chair of the Remuneration Committee. The Remuneration Committee shall, in relation to the Board, have a preparatory function concerning the issues of principles for remuneration, salaries and other terms of employment of the senior management.

Work of the Remuneration Committee

The Remuneration Committee has during 2010 met on one occasion, at which meeting the terms of remuneration for the company's new CFO were reviewed and approved. At the meeting of the Remuneration Committee, which was held in March 2011, an evaluation was conducted of the guidelines for remuneration of senior executives approved by the AGM and also regarding the remuneration structures and levels of remuneration within PA Resources. In addition to this, the outcome for that part of the stay-on bonus programme which is now falling due for payment was also reviewed and a proposal also drafted to report on the evaluation work and other work conducted by the Remuneration Committee during the year.

Evaluation and assessment of the Remuneration Committee

The Remuneration Committee has in the course of its work borne in mind that the company should have the remuneration levels and terms of employment required to recruit and retain highly skilled management with the capacity to achieve the objectives set and also the guiding principle that the salary and other remuneration of senior executives at PA Resources should be in line with market conditions. The Remuneration Committee has in conjunction with its evaluation found that the structures for remuneration and levels of remuneration of PA Resources are fit for purpose and in line with market conditions. This also applies to other terms of employment for senior executives. The Remuneration Committee has also concluded that the remuneration for the senior executives was in accordance with the guidelines adopted at the AGM. The guidelines for remuneration of senior executives have consequently been applied correctly.