

Report of the result of evaluation

The Compensation Committee, which is composed of Chairman of the Board Anders Börjesson and Vice Chairman Tom Hedelius with the Board member and President & CEO Jörgen Wigh presenting reports, met on one occasion during the 2014/15 financial year.

The Compensation Committee handled ongoing and completed programmes for variable remuneration to the company management and among other things also handled the application of the guidelines for compensation to senior executives adopted by the Annual General Meeting 2014. The Compensation Committee's reports the result of this evaluation below in accordance with item 10.3 of the Swedish Code of Corporate Governance:

The company has three outstanding call option programmes at present, each one with a term of three years, in which managers and senior executives in the Lagercrantz Group acquired call options on repurchased Class B shares in the company during the years 2012, 2013 and 2014. The programmes are secured by some of the company's holdings of already repurchased shares. The exercise price is fixed at SEK 69.40, SEK 125.40 and SEK 161.80 respectively.

The outstanding number of call options, after completed repurchases and redemptions, amounts to 462,750 call options in total and is equivalent to approximately 2.0 percent of the total number of shares and approximately 1.4 percent of the total number of votes in the company.

Six previous programmes (from 2006 - 2011) have been completed. In the 2007, 2008, 2009, 2010 and 2011 programmes, the share price exceeded the exercise price on these occasions and therefore all the options were exercised or repurchased. Many of the participants retained some or all of the acquired shares in connection with the redemption of options.

The programmes were subscribed in full in all cases and are considered to have helped to boost commitment and interest in the development of the Lagercrantz Group among managers and senior executives. As part of the programme, participants receive extra compensation equivalent to the premium paid (however, maximised at the equivalent of the allotted number of options) after two years provided that the participant is still in a position of employment. As the programmes were well-received and are considered to fulfil the aim of increasing motivation and creating participation on the part of managers and senior executives regarding opportunities and risks in the development of the company, a proposal has been made to the Board of Directors to introduce a new programme at the Annual General Meeting 2015. It is proposed to make clear that the aim of the programme, among other things, is that managers in the Lagercrantz Group through personal investment, should be able to participate in and work for a positive

development in the value of the company's shares and thus ensure greater common interest between managers and the company's shareholders. The intention of the programme shall also be to contribute to increasing the shareholdings of managers in the company in the longer term.

With regard to the variable salary that the President and CEO and other members of the management team are entitled to, which is based on the Group's results, approximately SEK 3.6 million, excluding social fees, was set aside in 2014/15 compared to SEK 2.8 million in 2013/14. Otherwise refer to Note 6 in the Annual Report for 2014/15.

With regard to the application of the guidelines for compensation to senior executives adopted by the Annual General Meeting 2014, the Compensation Committee stated that the guidelines were appropriate and that they were followed.

The Compensation Committee considers that the remuneration structures and levels of compensation in the company provide the basis for total compensation that is reasonable and competitive and that is thereby capable of attracting and retaining qualified employees.

Stockholm, July 2015

The Compensation Committee of Lagercrantz Group AB