

THE REPORT OF THE BOARD OF DIRECTORS OF CLX COMMUNICATIONS AB (PUBL) PURSUANT TO THE SWEDISH CODE OF CORPORATE GOVERNANCE 10.3

The board of directors of CLX Communications AB (publ) has established a remuneration committee. One of the remuneration committee's main assignments are to monitor and evaluate (i) current programs for variable remuneration to senior executives and any such programs terminated during the year, and (ii) the application of the guidelines for remuneration to senior executives adopted by the annual general meeting, as well as the current structure and levels of remuneration in the company. The board hereby reports the results of the evaluation pursuant to items two and three of rule 9.1 of the Swedish Code of Corporate Governance.

Remuneration to the senior executives of the company

The remuneration to the CEO and other senior executives is to reflect CLX's need to recruit and motivate qualified employees through a compensation package that is on a fair and competitive level. The remuneration is to consist of a fixed base salary, short-term variable pay, long-term variable pay, pension benefits and other benefits and severance pay.

The report of the board of directors of the remuneration committee's evaluation

The remuneration committee has, during the financial year 2018, monitored and evaluated the application of the guidelines for remuneration to senior executives that was adopted by the annual general meeting 2018. Based on such evaluation the remuneration committee has concluded that the guidelines for remuneration to senior executives have been applied to remunerations to senior executives during the financial year 2018 with the deviations set out below. The remuneration committee has also concluded that current and applicable remuneration structures and levels in the company are reasonable and well operating. The remuneration committee's evaluation has determined that such structures and levels are competitive and well balanced in relation to the company's cost structure in general.

At an extraordinary general meeting on 5 December 2016 it was resolved to adopt a share-related incentive program (LTI 2016). The annual general meeting on 18 May 2018 resolved on a share-related incentive program (LTI 2018). The remuneration committee has evaluated these programs and concluded that LTI 2016 and LTI 2018 works effectively. The remuneration committee has therefore recommended the board of directors to propose that the annual general meeting 2019 shall adopt a new share-related incentive program (LTI 2019) with the same main elements as LTI 2016 and LTI 2018.

Deviation from previous years' remuneration guidelines

The guidelines for remuneration to senior executives adopted by the previous annual general meeting of the Company has fulfilled its purpose in a satisfactory manner. Notwithstanding this, in connection with the recruitment of the Company's new CEO, the board of directors deemed that justifiable reasons existed (that is, the ability to recruit a CEO with such experience and skills that can contribute to the Company's continued development and growth) to deviate from the guidelines for remuneration to senior executives adopted by the annual general meeting 2018.

The board of directors have decided to deviate from the guidelines in such a way that the maximum variable pay may not exceed 42 percent of the new CEO's fixed salary during the first year of employment, and thereafter not exceed 30 percent. In addition, Oscar Werner was paid a so-called sign-on bonus in connection with his recruitment as compensation for warrants from his former employer which he has lost when he was employed by the Company.

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Stockholm, April 2019
CLX Communications AB (publ)
The board of directors