

## **The Board of Directors of Sensys Gatso Group AB's (publ.) proposal concerning guidelines for remuneration and other employment terms and conditions for the Group Management for 2019**

The Board of Directors proposes to the Annual General Meeting of Shareholders that the following guidelines be adopted with regard to the remuneration and other employment conditions for the Group Management. The Board's proposal is based on previous years' remuneration principles and contracts and agreements already entered into between the Company and each senior executive.

In 2019, the Group Management comprises Ivo Mönnink (VD), Simon Mulder (CFO), Timo Gatsonides (CTO) and Joris Lampe (CCO).

The Company shall offer total remuneration at the prevailing market rate to enable the recruitment and retention of senior executives. Remuneration of the Group's senior executives shall consist of a base salary, variable remuneration, pension and other benefits and remuneration. Together, these various parts shall comprise each individual's total remuneration.

The base salary and variable compensation together constitute the employee's salary. The base salary shall take into consideration each individual's area of responsibility and experience. The variable compensation, which is based on the Company's net sales and EBITDA for the financial year, may be paid to the CEO, the Group Management, and other members of the company management. For the CEO other Group Management the variable compensation can amount to a maximum 50% of their base salary. Total variable compensation to group management may amount to SEK 2,515,000, of which SEK 1,260,000 relates to the CEO. No bonus is to be paid out in the event of negative EBITDA.

For the financial year 2018, the CEO and other members of Group Management received variable compensation in the amount of SEK 900,000.

The Chief Executive Officer shall benefit from a supplementary pension scheme with a premium that represents approximately 30 per cent of the current annual salary. Other members of the Group Management and company management team shall have the right to retirement pensions as per the Swedish ITP plan or equivalent. The retirement age is 65 years.

Other remuneration and benefits shall be paid at market rate and contribute to enabling each senior executive to fulfil their duties. The CEO's employment contract includes termination conditions. According to this agreement, the notice period is six months from the Company's side and three months for the CEO, in addition to severance pay from the Company in the form of another 3 months' salary. The customary notice period

applies to all other members of the Group Management. The salary shall remain unchanged during the notice period.

The Board of Directors shall have the right to deviate from the above guidelines if the Board deems, in individual cases, that special grounds exist to justify such deviation.

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**Jönköping, April 2019**

**The Board of Directors for Sensys Gatso Group AB (publ.)**