

The board of directors' report of the compensation committee's evaluation of remuneration to members of management

During the foregoing year, Magnus Johansson (chairman), Annika Sten Pärson and Staffan Jufors have been members of the compensation committee. The compensation committee's responsibilities include monitoring and evaluating variable remuneration programmes for members of management, the application of the company's guidelines for remuneration to members of management and current remuneration structures and levels within the company. The board of directors hereby presents the following report of the compensation committee's evaluation, in accordance with rule 10.3 of the Swedish Corporate Governance Code.

During the foregoing year, the compensation committee has evaluated the company's remuneration structures in light of the takeover situation that the company has been subject to since July 2016, and found the need for adjustment of the terms of employment in order to retain members of management. The committee and the board has thereby approved adjustments to the terms of employment for members of management as follows:

- i) The notice period for termination by both the employee and by the company has been extended to 12 months until and including 30 June 2017. As from 1 July 2017, the notice periods which applied prior to the changes to the existing terms of employment shall apply again.
- ii) The members of management have been given a right to severance pay totalling 12 months' salary, payable upon termination by Haldex following a so-called change of control (i.e. where an individual or an entity acquires shares in the company representing more than half of the total number of voting rights), or following the board's appointment of a new managing director of Haldex, provided that notice of termination is given prior to 1 January 2019.
- iii) The members of management have been given a right to a so-called retention bonus totalling six months' salary, provided that the members of management remain employed until and including 31 December 2017.

The changes to employment terms in accordance with items i) and ii) above, constitute deviations from the guidelines approved by the annual general meeting 2016. The deviations have been deemed necessary by the committee and the board of directors in order to retain members of management in view of the takeover situation that the company has been subject to since July 2016.

The compensation committee has evaluated the long-term incentive programme LTI 2016 that was adopted by the annual general meeting 2016 and the previous programmes LTI 2015 and LTI 2014, which have materially the same terms and conditions as LTI 2016. The compensation committee notes that the programmes have worked well. However, in light of the takeover situation that the company has been

subject to since July 2016, the committee and the board have decided not to propose a long-term incentive programme for approval by the annual general meeting 2017.

Landskrona in March 2017
Haldex Aktiebolag (publ)
The board of directors

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