

Proposed guidelines for remuneration to senior management

The Board proposes guidelines for remuneration to the senior management as follows.

The guidelines proposed by the Board of Directors entail that senior management will be offered remuneration that is competitive and on market terms. The level of the remuneration for the individual manager shall be based on factors such as position, expertise, experience and performance. The remuneration consists of a fixed salary and pension benefits and, in addition, may consist of variable salary, severance compensation and non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets and should not exceed 50 % of the annual fixed salary. Salary during the notice of termination period and severance compensation shall be possible in a total maximum amount of 24 monthly salaries. It is proposed that the Board of Directors be authorized to deviate from the guidelines where special cause exists in an individual case.

Any remuneration to senior management resolved pursuant to Chapter 16 of the Swedish Companies Act (SFS 2005: 551) shall not be covered by these guidelines.

Previously resolved remuneration to the senior management which has not become due for payment

The company has two incentive programs based adopted in accordance with Chapter 16 of the Swedish Companies Act, see p. 35 in the Annual Report 2016. Except from this, and commitments to pay current compensation such as salary, pension and other benefits, there is no previously resolved remuneration to any senior executive which has not yet become due for payment. In conjunction with termination, the CEO is entitled to severance compensation corresponding to 12 times the fixed monthly salary. No other senior executive is entitled to severance compensation.

Estimated cost for variable salaries

Pursuant to the Swedish Companies Act, the company shall give information on the estimated total cost of the variable salaries paid to the senior management upon various conceivable results. The annual cost for variable remuneration for the senior management, assuming maximum outcome, totals around SEK 5 million (corresponding to 50 % of the total annual fixed salary for the senior management). This calculation is made on the basis of there being six members of the senior management in the company.

Deviations from the guidelines resolved 2016

The company has not deviated from the guidelines resolved by the annual general meeting held on 11 May 2016.

NOTE: This is an unofficial translation of the original, which is in Swedish. In case of discrepancies, the Swedish version shall prevail.

Lund in April 2017
Hansa Medical AB (publ)
The Board of Directors