

Account by the Board of Directors of the remuneration committee's evaluation of remuneration to senior executives

The Board of Directors of Handicare Group AB (publ) has established a remuneration committee consisting of three members of the Board of Directors: Lars Marcher (chairman), Joakim Andreasson and Elisabeth Thand Ringqvist. The remuneration committee shall monitor and evaluate the company's programmes for variable salary to the executive management. Further, the remuneration committee shall monitor and evaluate the application of the guidelines for remuneration to the group management resolved on by the Annual General Meeting as well as current remuneration structures and levels of remuneration.

The remuneration committee has evaluated the company's programmes for variable salary and presented the results of this evaluation to the Board of Directors. The variable salary is deemed appropriate and in accordance with market terms. However, it also is deemed that the implementation of a performance based long-term incentive program and an increase of the upper limit for the variable salary would further strengthen the company's long-term development. Therefore, the remuneration committee has recommended the Board of Directors to propose that the 2019 Annual General Meeting resolves to implement a performance based long-term incentive program.

In addition, the remuneration committee has evaluated the application of the guidelines for remuneration adopted for the group management. The remuneration committee concludes that these have been complied with, except for the Board of Directors' decision to deviate from the requirement that the variable salary of the CEO shall not amount to more than a maximum of 50 percent of the fixed salary, when Staffan Ternström was appointed as the new CEO of the group in August 2018. The Board of Directors then decided that the variable salary of the CEO should amount to a maximum of 60 percent of the fixed salary. The remuneration committee's proposal and the decision of the Board of Directors was motivated by the existence of special circumstances, taking into consideration the need to recruit the right person for the position, and the Board of Directors further considered a higher remuneration appropriate, necessary and in accordance with market terms. Furthermore, the remuneration committee has made the assessment that corresponding considerations also apply to the other members of the group management, and that corresponding limits for the variable salary shall be upheld for them. In light of this, the remuneration committee, in its assessment, has found that the current structures and levels of remuneration should be updated and the remuneration committee has therefore recommended the Board of Directors to propose that the 2019 Annual General Meeting resolves to increase the upper limit of the variable salary, as set forth in the guidelines, to 60 percent of the fixed salary for the coming years.

Apart from this, the remuneration committee has made the assessment that the current structures and levels of remuneration for the group management are in accordance with market terms, well balanced and well functioning.

This account has been given pursuant to item 10.3 of the Swedish Corporate Governance Code.

Stockholm, April 2019
Handicare Group AB (publ)
Board of Directors