

## **Explanatory statement of the nomination committee to the annual general meeting of Handicare Group AB (publ) held 8 May 2018 regarding the proposal for board of directors**

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*This document is provided in accordance with Section 2.6 of the Swedish Code of Corporate Governance (the "Code"), and explains how the nomination committee has conducted its work and the reasoning behind certain of the nomination committee's proposals to the annual general meeting. The full list of such proposals is contained in a separate document (the "Nomination Committee Proposals") that has been published in connection with the notice of the annual general meeting.*

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### **Establishment and work of the nomination committee**

The extra ordinary general meeting held 30 August 2017 resolved that the nomination committee for the annual general meeting 2018 shall consist of one representative from each of the four largest shareholders according to Euroclear as of 31 October 2017, and the company's chairman of the board of directors. The nomination committee for the annual general meeting 2018 consists of the following members (with nominating shareholder shown in parenthesis):

- Fredrik Näslund (chairman) (Cidron Liberty Systems Ltd)
- Jannis Kitsakis (Fjärde AP-fonden)
- Esben Saxbeck Larsen (Danica Pension)
- Espen Tidemann Jörgensen (Holta Invest Life Sciences)
- Lars Marcher, chairman of the board of directors of Handicare Group AB

The nomination committee has held three formal meetings and has had ongoing communication in between such meetings. The main work of the nomination committee has been to assess, and make proposals with respect to, the composition of and the remuneration to the board of directors. To assist the nomination committee in its work, the chairman of the board has presented an evaluation of the current board of directors and its work to the nomination committee, and a report on the company's operations, objectives and strategies.

### **Explanation of proposals regarding the board of directors**

#### *Actual proposal*

The nomination committee proposes to the annual general meeting 2018 that the number of members of the board of directors is increased by one member to a total of seven (7) members. The nomination committee proposes that the current members of the board of directors are re-elected, and that one new member is elected. The following members are nominated:

- Lars Marcher
- Joakim Andreasson
- Maria Carell
- Johan Ek
- Elisabeth Thand Ringqvist
- Claes Magnus Åkesson
- Jonas Arlebäck (new election)

Further information about all individuals proposed for election can be found in Appendix 1 to the separate document "Nomination Committee Proposals".

The nomination committee proposes that Lars Marcher is re-elected as chairman of the board of directors.

#### *Diversity & Breadth of Competence*

It is the nomination committee's view – consistent with the Code – that the composition of the board should exhibit diversity and breadth, and that the directors elected by the annual general meeting should reflect those skills, experiences, and backgrounds needed for the company's operations, growth, and other conditions. The nomination committee has applied section 4.1 of the Code as its diversity policy.

In carrying out its work, the nomination committee paid particular attention to the following factors:

- The extent to which the current board of directors meets the requirements that are placed on the board in light of the company's situation, strategic development and future direction.
- The goal of having a diverse, gender-balanced board.
- The need for continuity in the work of the board of directors.

The nomination committee believes that the current directors along with the proposed new director are very well suited for carrying out work of the board of directors of Handicare over the coming term of office. The nomination committee considers that the proposed directors, together, have an appropriate composition to meet the company's needs with respect to its operations and its competitive situation over the coming term.

Concerning diversity the nomination committee has noted the following:

- Two out of seven (29%) are women, and
- Two out of seven (29%) are of partly non-Swedish nationality.

#### *Independence Requirements*

Under the Code, a majority of the members of the board of directors elected by shareholders must be independent from the company and its executive management. Furthermore, at least two of those deemed independent from the company must also be independent in relation to the company's major shareholders. The nomination committee has assessed each proposed member of the board of directors and concluded that the Code's independence requirements are satisfied, as shown in the below chart.

Name		Nationality	Independent from the company and its executive management	Independent in relation to the company's major shareholders
<b>Re-election</b>				
Lars Marcher	Styrelsechairman and chairman of the remuneration committee	DE	Yes	No
Joakim Andreasson	Member of the audit committee and the remuneration committee	SE	Yes	No
Maria Carell	Member of the audit committee	SE	Yes	Yes
Johan Ek		SE and FI	No	No
Elisabeth Thand Ringqvist	Member of the audit committee	SE	Yes	Yes
Claes Magnus Åkesson	Chairman of the audit committee	SE	Yes	Yes
<b>Election</b>				
Jonas Arlebäck	Proposed for election	SE	No	No

#### **The instruction for the nomination committee**

The nomination committee proposes adjustments to the current instructions according to the proposal in Appendix 2 to the separate "Nomination Committee Proposals" document.

#### **Statement regarding election of auditor**

According to rule 2.1 of the Code the nomination committee is obligated to propose an external auditor along with a proposed remuneration to the annual general meeting. The nomination committee's proposal must include the recommendation of the audit committee. The audit committee has recommended Ernst & Young. For the annual general meeting 2018 the nomination committee

proposes the re-election of Ernst & Young AB with Authorised Public Accountant Stefan Andersson Berglund as Auditor-in-Charge. It is proposed that the fee to the auditors be paid in accordance with approved invoices.

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Stockholm, April 2018  
**Handicare Group AB (publ)**  
*The nomination committee*