

The Board of Director´s proposal for remuneration guidelines and other employment conditions for the Group management

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for remuneration to the CEO and other senior executives, being members of the Group Management.

Principles

In general, remuneration to members of Group Management shall be based on the position held, individual performance and Group performance, and shall be on a competitive basis in the country of employment. The overall remuneration package for Group Management comprises fixed salary, variable salary in the form of short-term incentives based on annual performance targets, long-term incentives, pension and other benefits. In addition, there are conditions on notice of termination and severance pay.

Fixed salary

Fixed salary shall constitute the basis for total remuneration. The salary shall be related to the relevant market and shall reflect the degree of responsibility involved in the position.

Variable salary (Short-term Incentive, "STI")

Members of Group Management shall be entitled to STI in addition to the fixed salary. The STI shall be based on the financial result for the Group and/or for the business unit for which the member of Group Management is responsible. Financial performance indicators that should be used are organic growth, earnings and cash flow. In addition, other specific performance indicators can be used in order to focus on matters of special interest to the Company. Clearly defined objectives for "target" and "stretch" levels of performance shall be stated in the beginning of the year and reflect the plans approved by the Board of Directors. STI may amount to a maximum of 50% ("stretch" level) of the fixed salary.

Long-term incentive

The Board of Directors will annually evaluate if a long-term incentive program (e.g. share or share price based) should be proposed to the Annual General Meeting.

For a description of the company's other long-term incentive programs, please see Handicare's website www.handicaregroup.com/corporate-governance/incentive-program/.

Pensions

Pension benefits shall be defined contribution. The age of retirement follow the country specific pension rules.

Notice of termination and severance pay

A mutual notice period of 6 months applies for the CEO. For other members of the Group Management mutual notice periods of 6 months apply. The CEO and the other members of the Group Management shall, upon having their employments terminated by the company, be entitled to severance pay amounting to not more than 12 months monthly fixed salary. No severance payment will be made when the employment is terminated by the employee.

Authority for the Board to deviate from the principles

Under special circumstances, the Board of Directors may deviate from these guidelines. In case of such deviation, the next Annual General Meeting shall be informed of the reasons.