

Annual General Meeting of Handicare Group AB (publ)

The shareholders of Handicare Group (publ), 556982-7115, (“Handicare”) are hereby invited to the Annual General Meeting on Wednesday, 6 May 2020 at 1:00 p.m. at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

Right to participate in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must
firstly be included in the shareholders’ register maintained by Euroclear Sweden AB as of Wednesday, 29 April 2020, and,
secondly notify Handicare of their participation not later than Wednesday, 29 April 2020.

Notification of attendance

Notification of attendance at the Annual General Meeting may be made:

- By telephone: 0733-05 30 65, weekdays 9:00-16:00 (CET)
- By post:
Handicare Group AB (publ)
“Annual General Meeting”
Ingmar Bergmans gata 4
SE-114 34 Stockholm
Sweden
- Via the website: www.handicaregroup.com

The notification shall state the shareholder’s:

- Name
- Personal identity number/Corporate Registration Number
- Address and daytime telephone number
- Shareholding
- When applicable, information about any assistants, not more than two assistants, and information on any proxies who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates or the equivalent, shall be appended to the notification.

Proxy

Shareholders represented by proxy shall issue a dated power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document (“certificate”) for the legal entity shall be appended to the notification of attendance. The power of attorney and certificate may not be more than one year old. However, the validity of the power of attorney may be a maximum of five years from the date of issue, if specifically stated. The power of attorney in original and, where applicable, the certificate, should be sent by post to the company at the address stated above well in advance of the Annual General Meeting. Proxy forms are available on www.handicaregroup.com, and will be sent to shareholders who so request and inform the company of their postal address.

Nominee shares

Shareholders whose shares have been registered with a nominee must, through the bank or securities broker administering the shares, temporarily re-register their shares in their own names in order to be entitled to participate in the Annual General Meeting. Such re-registration must be completed with Euroclear Sweden AB not later than Wednesday, 29 April 2020, entailing that the request for re-registration must be made to the nominee well in advance of this date.

Processing of personal data

For information on how your personal data is processed, please refer to the integrity policy available on Euroclear's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Number of shares and votes

The total number of shares and votes in Handicare is 58,939,000. Handicare does not hold any of its own shares.

Shareholders' right to request information

Shareholders are reminded of their right, at the Annual General Meeting, to request information from the Board of Directors and the CEO pursuant to Chapter 7, Section 32 of the Swedish Companies Act.

Proposed agenda

1. Opening of the meeting;
2. Election of Chairman of the meeting;
3. Drawing up and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons to certify the minutes;
6. Determination as to whether the meeting has been duly convened;
7. Submission of the annual report and auditors' report and the consolidated annual report and auditors' report for the group;
8. Speech by the CEO and statement by the Chairman of the Board of Directors;
9. Resolution regarding the adoption of the income statement and balance sheet and the consolidated income statement and balance sheet;
10. Resolution regarding allocation of profit in accordance with the adopted balance sheet;
11. Resolution regarding the discharge from liability for the members of the Board of Directors and the CEO;
12. Determination of the number of members and deputy members of the Board of Directors, and auditors and deputy auditors;
13. Determination of remuneration to the Board of Directors and the auditors;
14. Election of the members of the Board of Directors and the Chairman of the Board of Directors and auditors;
15. Resolution regarding remuneration guidelines for the group management;
16. Resolution regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants; and
17. Closing of the Meeting.

Resolution regarding allocation of profit in accordance with the adopted balance sheet (item 10)

The Board of Directors proposes that no dividend is distributed for the year ended 31 December 2019, and that the earnings of in aggregate EUR 276.3 million that are at the disposal of the Annual General Meeting are carried forward.

The Nomination Committee's proposals (items 2, 12, 13 and 14)

The Nomination Committee is tasked with submitting proposals on the election of the Board Chairman and other members of the Board of Directors, fees for the Board and any remuneration for committee work, election and remuneration of the auditor and election of the Chairman of the Annual General Meeting. The shareholders represented in the Nomination Committee hold about 77.95 per cent of the shares and votes in Handicare.

The Nomination Committee has submitted the following proposals concerning items 2, 12, 13 and 14:

- Johan Thiman, lawyer and partner at White & Case LLP, be elected Chairman of the Annual General Meeting (item 2).
- The fee to each member of the Board of Directors shall be SEK 180,000. However, the fee payable to the Chairman of the Board of Directors shall be SEK 450,000. It is proposed that the fee for the Chairman of the Remuneration Committee be SEK 50,000, while the fee for an ordinary member of the Remuneration Committee be SEK 25,000. It is proposed that the fee for the Chairman of the Audit Committee be SEK 100,000, while the fee for an ordinary member of the Audit Committee be SEK 50,000. It is proposed that the fee to the auditors be paid in accordance with approved invoices (item 13);
- The number of members of the Board of Directors shall be seven (7) to be elected by the Annual General Meeting, with no deputy members (item 12). As members of the Board of Directors, re-election of the current members of the Board of Directors Lars Marcher, Joakim Andreasson, Jonas Arlebäck, Maria Carell, Johan Ek, Christina Lindstedt and Claes Magnus Åkesson is proposed. The Nomination Committee proposes that Lars Marcher be elected Chairman of the Board of Directors (item 14);
- The number of auditors shall be one (1) without deputies (item 12). The Nomination Committee proposes the election of Ernst & Young AB with authorised public accountant Stefan Andersson Berglund as Auditor-in-Charge until the end of the 2021 Annual General Meeting (item 14).

Proposal regarding remuneration guidelines for the group management (item 15)

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for remuneration to the CEO and other senior executives who are members of the group management. The guidelines are to be applied on remuneration agreed upon after the Annual General Meeting has resolved to adopt the guidelines, as well as on changes to remuneration previously agreed upon. The guidelines do not cover remuneration resolved on by the Annual General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The purpose of the guidelines is to provide a structure that adapts the remuneration to the Company's strategy, long-term objectives and sustainability. The Company's business strategy consist of offering solutions to increase the independence of elderly and physically challenged people and is further described on the Company's webpage, www.handicaregroup.com, and in the Annual Report.

The Company's business strategy requires that the Company can continue to attract, motivate and retain key employees. The guidelines must therefore enable appropriate and competitive remuneration to senior executives.

Form of remuneration	Relation to the Company's business strategy	Execution	Evaluation
Fixed salary	<p>The fixed salary shall reflect the responsibilities that the role entails.</p> <p>The levels for fixed salary are intended to facilitate requirement and enable long-term retention of the Company's senior executives.</p>	<p>Evaluated yearly.</p> <p>Adjustments during the year can be made if an employee's role changes.</p>	<p>Based on market levels for the relevant role and country of business.</p> <p>Levels are adapted after evaluation of an</p>

			individual's performance.
Variable salary (Short-term incentive, "STI")	The variable salary promotes reaching or exceeding the Company's pre-determined annual targets through financial and non-financial criteria, such as organic growth, financial results and cash flow as well as individual performance indicators, and to attract, motivate and retain key employees.	At the end of the evaluation period, the Remuneration Committee evaluates to what extent the criteria for payment of variable salary has been met.	Fulfilment of criteria for defined targets.
Pensions and other benefits	Pensions and other benefits for senior executives are necessary to be able to offer competitive overall remuneration, in order to facilitate recruitment and enable long-term retention of the Company's senior executives.	Offered for the duration of employment and may be subject to review depending on factors such as age, level of fixed salary and role.	Based on market practice and market levels for the role in question and the country of business.

Sustainability measures relating to the Company's business strategy

The Company's sustainability efforts are evaluated and rated continuously by, among others, investors, analysts and civil society participants. In this way, the Company's work and results are reviewed and assessed. This allows the Company to continuously develop its sustainability efforts in line with the demands of its stakeholders, to support the share price development of the Company's shares and to strengthen the Company's trademark. By extension, this may lead to lower financing costs, as a result of a lower risk grading and due to the sustainability efforts generating a surplus in terms of risk reduction, control and business opportunities.

Decision-making process for establishing, reviewing and applying the guidelines

The Board of Directors has established a Remuneration Committee consisting of three members of the Board of Directors appointed by the Annual General Meeting. The Committee is tasked with the preparation of the Board of Directors' proposal for remuneration guidelines for senior executives. The Board of Directors shall prepare proposals for new remuneration guidelines when material changes are required or, at least, every fourth year and present the guidelines for the General Meeting to resolve on. The guidelines shall apply from the approval by the General Meeting, until new guidelines have been resolved upon by the General Meeting (and for a maximum of four years). The Remuneration Committee may seek approval of new guidelines at an earlier point in time if circumstances arise that effect the purpose of the guidelines.

The Remuneration Committee shall also follow-up and evaluate programmes for variable remuneration to senior executives, the application of the remuneration guidelines and current remuneration structures and levels within the Company.

The Remuneration Committee's members are independent in relation to the Company and the group management.

Consideration of salary and employment terms for employees

In the Remuneration Committee's preparation of the Board of Directors' proposal for remuneration guidelines, information on total remuneration for employees, the components of the remuneration and increases of the remuneration, as well as the rate of increases over time, has been considered and forms a part of the basis for the Remuneration Committee's and the Board of Directors' decisions when preparing and evaluating the fairness of the guidelines and the limitations they impose. The difference between the remuneration for senior executives and the remuneration for other employees will be disclosed in the yearly remuneration report.

Forms of remuneration

The remuneration guidelines imply that the remuneration shall be based on the role, individual performance as well as the Group's results, and that the remuneration must be competitive in the country of employment. The total remuneration to the group management shall consist of fixed salary, variable salary in the form of short-term incentive based on yearly performance targets as well as pensions and other benefits. In addition to the aforementioned, certain terms for termination of employment and severance pay apply. The General Meeting may also – independent of the remuneration guidelines for senior executives – resolve on, for instance, share- and share price-related remuneration.

Fixed salary

Fixed salary shall be the basis for the total remuneration. The salary shall be based on the relevant market and reflect the responsibilities that the role entails.

Variable salary (STI)

Members of the group management shall, in addition to the fixed salary, be entitled to STI. STI shall be based on the financial results for the Group and/or the business unit that the member of the group management is responsible for. Financial targets to be used are organic growth, financial results and cash flow. In addition, performance indicators may be used to highlight matters of importance to the Company. Clearly defined targets for “threshold”, “target” and “stretch” levels for performance shall be determined in the beginning of each year and shall reflect strategies adopted by the Board of Directors. By applying pre-determined and measurable financial and non-financial targets and performance indicators reflecting the Company's business priorities, the Company considers the possibilities of attracting, motivating and retaining key employees to increase, which contributes to the Company's business strategy, long-term interests and sustainability.

At the end of the evaluation period for meeting criteria for payment of STI, an assessment shall be made of to what extent the criteria has been met. The Remuneration Committee is responsible for making such assessment with respect to STI to the CEO and other senior executives.

Before payment of variable remuneration is made, the Board of Directors shall determine whether the results of the assessment are reasonable, taking into account the Company's financial results and financial position.

STI may amount to a maximum of 60 percent (“stretch”) of the fixed salary for the CEO and other members of the group management.

Pensions and other benefits

Pensions shall be defined contribution. The age of retirement follow the country specific pension rules. Pensions may amount to a maximum of 30 percent of the fixed salary entitling to pension for the CEO and other senior executives. Other benefits may include, inter alia, car benefits. Other benefits shall amount to a maximum of 10 percent of the fixed salary for the CEO and other senior executives.

Notice of termination and severance pay

For the CEO and other members of the group management, mutual notice periods of 6 months shall apply as a general rule. The CEO and other members of the group management shall, upon termination of their employments by the company, be entitled to severance pay amounting to not more than 12 months' fixed salary. No severance payment will be made when the employment is terminated by the employee or when the employee has been in breach of its employment agreement.

Information on share-related long-term incentive programmes

Handicare has established long-term share-related incentive programmes. The programmes has been adopted by the Annual General Meeting and is therefore not covered by the remuneration guidelines. The programs cover, inter alia, the CEO and other members of the group management as well as other key employees, who are nominated based on, inter alia, competence and performance. The outcome of the programmes are dependant on the price of the Company's shares and is therefore clearly linked to the business strategy and the company's long-term value creating strategy, including sustainability, as well as creates community of interests between the participant and the Company's shareholders. More information on these programmes, including the criteria determining the outcome, is available at the Company's webpage, www.handicargroup.com

Authority for the Board to deviate from the principles

The Board of Directors may decide to temporarily, wholly or partially, deviate from the guidelines if there are special circumstances in an individual case and deviation is necessary in order to secure the Company's financial capacity. As stated above, the Remuneration Committee is responsible for preparation of the Board of Directors resolutions on matters relating to remuneration, which includes resolutions on deviation from the remuneration guidelines.

Resolution regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants (Item 16)

The Board of Directors proposes that the annual general meeting of in Handicare Group AB (publ) (the "**Company**") resolves to adopt an incentive programme for senior executives by (A) a directed issue of not more than 1,198,370 warrants of series 2020/2023 to a wholly owned Swedish subsidiary of the Company (the "**Subsidiary**") or the Company (the Subsidiary or the Company, as applicable, the "**LTIP Company**") as set forth in item A below and (B) transferring the warrants issued from the LTIP Company to certain senior executives in the Group where the Company is the parent company (the "**Group**") as set forth in item B below. In total, the incentive program will be directed to not more than 17 individuals.

The incentive program entails that senior executives, who have entered into an agreement with the LTIP Company (the "**Agreement**"), are offered to acquire warrants at market value, calculated as set forth below.

Each warrant entitles the holder to subscribe for one (1) new share in the Company. The warrants have an exercise price per share corresponding to 126.0 per cent of the volume-weighted average of the Company's closing price 10 trading days following the annual general meeting on 6 May 2020, but may not be lower than the quotient value of the share.

Each warrant entitles to subscription of one new ordinary share in the Company during the following subscription period: 15 May 2023 – 17 June 2023.

The warrants shall be transferred on marketable terms at a price (premium) determined on the basis of a calculated market value for the warrants at the time of the transfer, using the Black & Scholes valuation model calculated by an independent valuation institution. The value has been preliminarily estimated to SEK 2.07 per warrant, based on a share price of SEK 20 per share.

The complete terms and conditions for the warrants have been resolved by the Board of Directors and are presented in the Board of Directors' complete proposal.

Allocation of warrants

Not more than 17 senior executives in the Group (the "**Participants**") shall, provided that they have entered into the Agreement with the LTIP Company, be entitled to acquire warrants up to the maximum number of warrants as set out below.

Position	Number of Participants (maximum)	Number of warrants per Participant (maximum)	Total number of subscription warrants (maximum)
CEO	1	272 657	272 657
CFO	1	133 299	133 299
Management team	6	99 714	598 284
Other key personnel	9	21 570	194 130

Each Participant may acquire its maximum number of warrants as set out above.

Redemption of warrants

In connection with the Participants' acquisition of warrants in the program, the LTIP Company has, in the Agreement, reserved the right to, under certain circumstances, redeem warrants if a Participant's employment or assignment in the Group ceases or if the Participant wishes to transfer its warrants before they can be exercised.

Subsidy

The LTIP Company or another company in the Group will subsidise 50 percent of the amount that a Participant in the incentive programme shall pay for the warrants. If a warrant holder's employment within the Group is terminated before the warrants are exercised and the LTIP Company decides to repurchase the warrants pursuant to the terms of the Agreement, the warrant holder shall repay the subsidy according to the following.

If the LTIP Company acquires the warrants before 6 May 2021, the warrant holder shall repay the entire subsidy. If the LTIP Company acquires the warrants on or after 6 May 2021 but before 6 May 2022, the warrant holder shall repay two thirds of the subsidy. If the LTIP Company acquires the warrants on or after 6 May 2022 but before 6 May 2023, the warrant holder shall repay one third of the subsidy. If the LTIP Company acquires the warrants thereafter, no repayment shall be made. In cases where the warrant holder is obligated to repay the subsidy, such payment shall be executed through set-off of the redemption amount for the warrants to be paid by the LTIP Company at redemption of the warrants. However, the repayment of the subsidy shall not exceed the redemption amount for the warrants, which means that the warrant holder shall not be required to repay a higher sum than the market value of the warrants if the market value of the warrants at the time for the LTIP Company's repurchase is lower than the subsidy.

Effect on important key ratios and dilution

The incentive programme is expected to have a marginal effect on the Company's financial ratios. Based on the number of shares in the Company as of the date of the notice to the annual shareholders' meeting, the dilution effect of the warrant program will not exceed 2.0 percent. The Company's earnings per share for 2019 would have decreased from EUR 0.0398 to EUR 0.0390 as a result of a corresponding dilution.

Costs

The Company's costs for the incentive programme consists of social security costs on any potential warrant profit that Participants in the programme in certain jurisdictions make, as well as the cost of the payment of the subsidy (including related social security costs) in all jurisdictions.

The total cost for the incentive program is dependent on the outcome of the programme. Assuming that the market price of the Company's share increases by 15.0 percent compared to a share price of SEK 20 per share, the cost for the program is estimated to amount to SEK 2.48 million.

The rationale for the incentive program

The rationale for the incentive program is to provide employees of the Group the opportunity to obtain a remuneration related to and dependent on the increase in value which they contribute, as well as to attract, motivate and retain key employees within the Group. The Board of Directors is of the opinion that it is to the benefit of the Company and the shareholders that the employees are given a personal incentive through ownership.

Preparation of the proposal

In accordance with guidelines provided by the Board of Directors, the incentive program has been prepared by the Company's Board of Directors and its remuneration committee together with advisors, and has been reviewed at meetings of the Board of Directors in first quarter of 2020.

Other incentive programs

For a description of the Company's other equity-related incentive programs, reference is made to the annual report for 2019.

Majority requirement

A resolution to approve the incentive program is valid only where supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the shareholders' meeting.

A – Directed issue of warrants

The following terms and conditions shall apply.

1. Subscription warrants shall be issued in one series: series 2020/2023.
2. Series 2020/2023 contains a maximum of 1,198,370 subscription warrants, of which each subscription warrant entitles to subscription for one (1) share in the Company.
3. Right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, vest in a wholly owned Swedish subsidiary of the Company (the "**Subsidiary**") or the Company (the Subsidiary or the Company, as applicable, the "**LTIP Company**"). The LTIP Company shall have the right and obligation to transfer the warrants to employees in the Group pursuant to the proposal in item B below. The LTIP Company shall not have the right to dispose of the warrants in any other way than what is proposed under item B below.
4. The warrants are issued free of charge.
5. Subscription for the subscription warrants shall be made on a specific subscription list no later than on 31 May 2020. There may be no over-subscription.
6. The subscription price shall at the time of subscription correspond to 126.0 per cent of the volume-weighted average of the Company's closing price 10 trading days following the annual general meeting on 6 May 2020, but may not be lower than the quotient value of the share.

The share capital may be increased with a maximum of EUR 1,651.097707 at the time of subscription for new shares.

Subscription for shares by the exercise of warrants of series 2020/2023 can be made during the following subscription period: 15 May 2023 – 17 June 2023.

The complete terms and conditions for the subscription warrants are set out in the Board of Directors' complete proposal.

Shares which are issued after subscription will entitle to dividends for the first time at the record date for dividends occurring immediately thereafter.

7. The reason for the deviation from the shareholders' preferential right is that the Board of Directors wishes to create an incentive program for senior executives of the Group. By way of the current proposal, the employees of the Group will have the opportunity to obtain a remuneration related to and dependent on the increase in value which to they contribute. The Board of Directors is of the opinion that it is to the benefit of the Company and the shareholders that the employees are given a personal incentive through ownership. The purpose of the incentive program is further to attract, motivate and retain key employees within the Group.
8. The CEO, or whomever the CEO may appoint, shall be authorized to make such minor adjustments of the above resolution as may prove necessary in conjunction with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

B – Approval of transfer of warrants

The Board of Directors proposes that the meeting resolves to approve that a wholly owned Swedish subsidiary of the Company (the "**Subsidiary**") or the Company (the Subsidiary or the Company, as applicable, the "**LTIP Company**") transfers at most 1,198,370 warrants of series 2020/2023 to senior executives in the Group on the following terms:

1. The warrants shall, at one or more occasions, be transferred by the LTIP Company to senior executives in the Group pursuant to the terms set forth below.
2. Allotment of subscription warrants shall take place according to the following principles:

Position	Number of Participants (maximum)	Number of warrants per Participant (maximum)	Total number of subscription warrants (maximum)
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<i>CEO</i>	1	272 657	272 657
<i>CFO</i>	1	133 299	133 299
<i>Management team</i>	6	99 714	598 284
<i>Other key personnel</i>	9	21 570	194 130

3. *The Board of Directors shall determine which senior executives in each category shall have the right to acquire warrants and how many warrants that each such Participant shall have the right to acquire.*
4. A Participant can apply for acquisition of a lower, but not higher, number of warrants than the Participant has the right to acquire.
5. Upon acquisition of the warrants, the Participants shall enter into the Agreement with the LTIP Company.
6. The warrants shall be transferred on marketable terms at a price (premium) determined on the basis of a calculated market value for the warrants at the time of the transfer, using the Black & Scholes valuation model calculated by an independent valuation institution. The value has been preliminarily estimated to SEK 2.07 per warrant, based on a share price of SEK 20 per share.
7. To be entitled to acquire warrants from the LTIP Company, the person determined by the Board of Directors shall, at the time of the acquisition, be employed in the Group and neither have terminated its employment or have been terminated. Furthermore, it is required that the acquisition of warrants is legally possible. A person who has signed a contract of employment with a company that is part of the Group but not yet commenced service shall be considered as employed in this context.
8. Any warrants that are not transferred to employees as set forth above may be reserved for future recruitments and may, pursuant to instructions from the Board of Directors, at one or several occasions, be transferred to new employees in the companies included in the Group, whereupon corresponding principles for allocation, conditions to be entitled to acquire warrants and other terms as those set forth above shall apply.

The Board of Directors' complete proposal regarding remuneration guidelines for the group management according to item 15, proposal regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants according to item 16, the annual accounts according to item 7 and the auditor's statement on the application of remuneration guidelines for group management will be available at the company's office at Ingmar Bergmans gata 4, SE-114 34 Stockholm, Sweden, and on the company's website www.handicaregroup.com from 15 April 2020 at the latest. These documents will also be sent to shareholders who so request and inform the company of their postal address. The Board of Directors' complete proposal regarding item 16 will also be sent to all shareholders who have notified the company of their participation in the Annual General Meeting and have informed the company of their address.

The report by the Board of Directors on the remuneration committee's evaluation of remuneration to senior executives, information about all of the members proposed to comprise Handicare's Board of Directors and the nomination committee's complete proposals, explanatory statement regarding the proposal to the Board and report on work prior to the annual general meeting are available on the company's website www.handicare.com.

Stockholm, April 2020
Handicare Group AB (publ)
Board of Directors