

The Board of Directors' proposal for remuneration guidelines for senior executives

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 individual's performance.</p>
Variable salary (Short-term incentive, "STI")	<p>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.</p>	<p>At the end of the evaluation period, the Remuneration Committee evaluates to what extent the criteria for payment of variable salary has been met.</p>	<p>Fulfilment of criteria for defined targets.</p>
Pensions and other benefits	<p>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.</p>	<p>Offered for the duration of employment and may be subject to review depending on factors such as age, level of fixed salary and role.</p>	<p>Based on market practice and market levels for the role in question and the country of business.</p>

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.handicaregroup.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.

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