

Report by the Board of Directors on the Remuneration Committee's Evaluation of Remuneration to Senior Executives, etc.

The Board of Directors of Arjo AB ("Arjo") has established a Remuneration Committee, comprised of chairman Johan Malmquist and Carl Bennet. The Remuneration Committee has since its establishment in February 2017 held four meetings at which minutes were kept, with informal contacts between these meetings when necessary.

The Remuneration Committee's tasks include to monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for remuneration to senior executives adopted by the Extraordinary General Meeting on 30 August 2017, as well as current remuneration structures and levels in the company. As set forth in rule 10.3 of the Swedish Corporate Governance Code, the Board of Directors hereby gives the following report on the results of the evaluation by the Remuneration Committee. The report covers the period after the Extraordinary General Meeting on 30 August 2017, at which the Extraordinary General Meeting adopted guidelines regarding remuneration to the senior executives.

The Remuneration Committee is of the opinion that the guidelines for remuneration to senior executives adopted by the Extraordinary General Meeting on 30 August 2017 have been applied in a correct manner, and that the programs for variable remuneration have fulfilled their objectives and functioned well. In connection to the listing of the B-shares in Arjo, Carl Bennet AB offered all board members elected by the general meeting and all members of the Executive Management Team in Arjo to acquire synthetic share options in Arjo issued by Carl Bennet AB. The synthetic share options are attributable to the B-shares and they have a term of four years. In December 2017, the synthetic share options were acquired by all board members and all members of the Executive Management Team who received the offer to acquire options. Arjo has not been involved in the offer of synthetic share options which has been provided by, and solely on the initiative of, Carl Bennet AB to the board members and the Executive Management Team in Arjo.

Malmö in March 2018

The Board of Directors of Arjo AB (publ)