

Protokoll fört vid årsstämma med aktieägarna i **Arjo AB (publ)**, org. nr 559092-8064, i Malmö den 29 juni 2020

*Minutes kept at the Annual General Meeting of shareholders in **Arjo AB (publ)**, corporate ID No. 559092-8064, held in Malmö, Sweden, on 29 June 2020*

§ 1

Stämman öppnades av styrelsens ordförande, Johan Malmquist.

Johan Malmquist informerade om de preventiva åtgärder Arjo vidtagit vid stämman med hänsyn till utbrottet av det nya coronaviruset och COVID-19. Han informerade om att en förinspelad presentation av den verkställande direktören funnits tillgänglig på Arjos hemsida före stämman.

The Chairman of the Board, Johan Malmquist, opened the Meeting.

Johan Malmquist informed about the precautionary actions Arjo has taken in connection with the Meeting due to the outbreak of the new corona virus and COVID-19. He informed that a pre-recorded presentation by the CEO has been available on Arjo's webpage prior to the Meeting.

§ 2

Johan Malmquist utsågs att såsom ordförande leda förhandlingarna vid stämman. Det antecknades att såsom sekreterare vid stämman tjänstgjorde Arjos chefsjurist Ingrid Carlsson.

Noterades att det inför dagens stämma gjorts bedömningen att det med hänsyn till aktieägarkretsens sammansättning inte är motiverat att tillhandahålla tolkning till främmande språk av förhandlingarna.

Stämman godkände att, förutom anmälda aktieägare, vissa andra personer närvarade vid stämman som åhörare.

Johan Malmquist was appointed Chairman to lead proceedings at the Meeting. It was noted that Arjo's Executive Vice President Legal & Business Compliance, Ingrid Carlsson, served as secretary at the Meeting.

It was noted that a decision had been made prior to the Annual General Meeting that, taking into account the composition of the group of shareholders, it was not necessary to provide for interpretation of the proceedings into a foreign language.

The Meeting approved, in addition to shareholders having notified their participation, the presence of certain other persons as audience at the Meeting.

§ 3

Stämman godkände förfarandet för upprättande av röstlängden samt att förteckningen i Bilaga 1 över till stämman anmälda och närvarande aktieägare (innefattande även de aktieägare som poströstat i förhand) skulle gälla som röstlängd vid årsstämman.

The Meeting approved the procedure for preparing the list of voters and that the list in Appendix 1 of the shareholders having notified their participation in the Meeting also attending (including also those shareholders who have pre-voted by postal voting), should constitute the voting list for the Meeting.

§ 4

Det i kallelsen intagna förslaget till dagordning godkändes av stämman.

The proposed agenda published in the notice was approved by the Meeting.

§ 5

Leif Hansson, representerande eget innehav, och Leif Ljungholm, representerande ett antal utländska fonder, utsågs att jämte ordföranden justera dagens protokoll.

Leif Hansson, representing own holding, and Leif Ljungholm, representing a number of non-Swedish funds, were appointed to approve the minutes, jointly with the Chairman.

§ 6

Anmäldes att kallelse till stämman skett genom annonsering i Post- och Inrikes Tidningar den 1 juni 2020 samt att kallelsen offentliggjorts och hållits tillgänglig på bolagets webbplats den 26 maj 2020. Att kallelse har skett har vidare annonserats i Svenska Dagbladet och Sydsvenskan. Stämman konstaterades vara i behörig ordning sammankallad.

It was reported that notice to attend the Annual General Meeting had been published on 1 June 2020 in Post- och Inrikes Tidningar and that the notice was made available at the company's website on 26 May 2020. Further, the company announced in Svenska Dagbladet and Sydsvenskan that notice has been issued. It was determined that the Meeting had been duly convened.

§ 7

Ordföranden upplyste att styrelsens och verkställande direktörens årsredovisning med tillhörande balans- och resultaträkning samt koncernbalans- och koncernresultaträkning för räkenskapsåret 2019 liksom revisorsyttrande om huruvida de riktlinjer för ersättning till ledande befattningshavare som gällt sedan föregående årsstämma har följts samt styrelsens förslag till vinstutdelning och motiverat yttrande däröver har funnits tillgängliga på bolagets hemsida och skickats till de aktieägare som anmält att de vill erhålla dessa.

Konstaterades att ovan nämnda handlingar ansågs framlagda vid stämman.

Ordföranden redogjorde, genom hänvisning till bolagets bolagsstyrningsrapport, för bolagsstyrningsfrågor inom Arjo-koncernen samt för styrelsearbetet och arbetet inom ersättningsutskottet och revisionsutskottet under verksamhetsåret 2019 samt, genom hänvisning till bolagets årsredovisning, för det arvode bolaget erlägger för revisionsuppdraget respektive andra uppdrag till bolagets revisorer.

Auktoriserade revisorn Magnus Willfors föredrog i korthet revisionsberättelsen och koncernrevisionsberättelsen över årsredovisningen, koncernredovisningen, räkenskaperna samt styrelsens och verkställande direktörens förvaltning för räkenskapsåret 2019.

The Chairman reported that the Board's and the CEO's Annual Report with the accompanying Balance Sheet and Income Statement and the Consolidated Balance Sheet and Consolidated Income Statement for the financial year 2019 as well as the statement of the auditor on the compliance of the guidelines for remuneration to senior executives applicable since the last Annual General Meeting and the Board's proposal for appropriation of the company's profit and the Board's reasoned statement thereon have been available on the company's website and have been distributed to all shareholders who registered that they wished to receive a copy.

It was noted that the aforementioned documents were to be considered presented at the Meeting.

The Chairman reported, through reference to the Corporate Governance Report, on Corporate Governance matters within the Arjo Group, the work of the Board and the work of the Remuneration Committee and the Audit Committee during the business year 2019 and, through reference to the Annual Report, on the fees the company pays for the audit assignment and other assignments conducted by the company's auditors.

The authorised public accountant Magnus Willfors presented, in summary, the Auditors' Report and the Group Auditors' Report on the Annual Report, the consolidated financial statements, the accounts and the administration of the Board and the CEO for the financial year 2019.

§ 8

Stämman beslutade att fastställa den framlagda resultaträkningen och balansräkningen samt även koncernresultaträkningen och koncernbalansräkningen.

The Meeting resolved to adopt the Income Statement and Balance Sheet and the Consolidated Income Statement and the Consolidated Balance Sheet as presented.

§ 9

Stämman beslutade

att i enlighet med styrelsens och verkställande direktörens förslag på så sätt att till aktieägarna utdelas 0,65 kronor per aktie motsvarande totalt 177 040 222 kronor samt att resterande belopp balanseras i ny räkning

samt att såsom avstämningsdag för rätt till utdelning fastställa den 1 juli 2020.

Konstaterades att utdelning beräknas kunna utsändas av Euroclear Sweden AB med början den 6 juli 2020.

The Meeting resolved

to in accordance with the Board's and the CEO's proposal to pay to the shareholders a dividend of SEK 0.65 per share, in total SEK 177,040,222 and that the remaining amount should be carried forward.

and to set the record date for the entitlement to dividends as 1 July 2020.

It was noted that dividend payments through Euroclear Sweden AB were expected to commence on 6 July 2020.

§ 10

Stämman beslutade att bevilja styrelsens ledamöter och verkställande direktören Joacim Lindoff ansvarsfrihet för räkenskapsåret 2019.

Det antecknades att varken envar av styrelseledamöterna eller den verkställande direktören deltagit i beslutet såvitt det avsåg styrelseledamöten eller verkställande direktören själv.

The Meeting resolved to discharge the Board members and the CEO Joacim Lindoff from liability for their administration of the company for the financial year 2019.

It was noted that neither the Board members nor the CEO participated in this resolution, concerning the Board member or the CEO themselves.

§ 11

Ordföranden redogjorde, genom hänvisning till valberedningens motiverade yttrande över förslagen och redogörelse för sitt arbete som tillhandahållits aktieägarna inför stämman, för valberedningens förslag till beslut samt uppgifter och arbete inför årsstämman 2020.

Stämman beslutade i enlighet med valberedningens förslag att antalet styrelseledamöter skulle vara sju stycken, utan suppleanter samt att ett registrerat revisionsbolag skall utses till bolagets revisor.

The Chairman reported, through reference to the motivated statement on the proposals and the presentation of the work of the Nomination Committee available to the shareholders before the Meeting, for the proposals of the Nomination Committee, the functions and the work of the Nomination Committee ahead of the Annual General Meeting 2020.

The Meeting resolved in accordance with the proposal of the Nomination Committee that the number of Board members would be seven, without deputy members and that a registered public accounting firm should be elected as the company's auditor.

§ 12

Stämman beslutade i enlighet med valberedningens förslag att arvode till av bolagsstämman valda styrelseledamöter ska utgå med ett sammanlagt belopp om 4 475 000 kronor, varav 1 425 000 kronor till ordföranden och 610 000 kronor till var och en av de övriga bolagsstämموvalda ledamöter som inte är anställda i koncernen. Stämman beslutade vidare att ersättning för arbete i revisionsutskottet ska utgå med 254 000 kronor till ordföranden och 127 000 kronor till var och en av övriga ledamöter och att ersättning för arbete i ersättningsutskottet ska utgå med 132 000 kronor till ordföranden och 97 000 kronor till var och en av övriga ledamöter. Stämman beslutade att arvode till revisorerna ska utgå enligt godkänd räkning.

The Meeting resolved in accordance with the proposal of the Nomination Committee that fees to the members of the Board elected by the Annual General Meeting be paid in a total amount of SEK 4,475,000, of which SEK 1,425,000 shall be paid to the Chairman and SEK 610,000 to each of the other members elected by the Annual General Meeting who are not employed in the Group. In addition, the Meeting resolved that fees for work on the Audit Committee be paid in an amount of SEK 254,000 to the Chairman and SEK 127,000 to each of the other members, and that fees to the Remuneration Committee be paid in an amount of SEK 132,000 to the Chairman and SEK 97,000 to each of the other members. The Meeting resolved that fees to the auditors shall be paid in accordance with approved invoices.

§ 13

Ordföranden presenterade valberedningens förslag till styrelse.

Noterades att valberedningen föreslagit omval av samtliga styrelseledamöter, vilka utgörs av Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Joacim Lindoff och Johan Malmquist. Noterades vidare att valberedningen föreslagit omval av Johan Malmquist till styrelsens ordförande.

Upplyste ordföranden att de till omval föreslagna ledamöternas uppdrag i andra företag finns angivna i årsredovisningen och på bolagets hemsida. Konstaterades att de uppdrag vilka de föreslagna styrelseledamöterna har i andra företag skulle anses såsom föredragna vid stämman.

Stämman valde för tiden intill slutet av nästa årsstämma till

styrelseledamöter: Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Joacim Lindoff och Johan Malmquist (samtliga omval).

styrelseordförande: Johan Malmquist (omval).

Ordföranden informerade att arbetstagarorganisationerna meddelat att Sten Börjesson och Ingrid Hultgren kommer att kvarstå som ordinarie arbetstagarledamöter i styrelsen, med Eva Sandling Gralén och Kajsa Haraldsson som suppleanter.

The Chairman presented the Nomination Committee's proposal regarding the Board.

It was noted that the Nomination Committee had proposed re-election of all Board members, which consists of Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Joacim Lindoff and

Johan Malmquist. It was further noted that the Nomination Committee had proposed re-election of Johan Malmquist as Chairman of the Board.

The Chairman informed that assignments in other companies of the Board members proposed for re-election are presented in the Annual Report and the company's website. It was noted that the proposed Board members' assignments in other companies should be regarded as presented at the Annual General Meeting.

For the period until the close of the next Annual General Meeting, the Meeting elected:

Board members: Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Joacim Lindoff and Johan Malmquist (all re-election).

Chairman of the Board: Johan Malmquist (re-election).

The Chairman informed that the employee organizations had notified that Sten Börjesson and Ingrid Hultgren will remain as ordinary members of the Board, with Eva Sandling Gralén and Kajsa Haraldsson as deputy members.

§ 14

Ordföranden presenterade valberedningens förslag till val av revisor. Stämman omvalde revisionsbolaget Öhrlings PricewaterhouseCoopers AB till bolagets revisor med Magnus Willfors som fortsatt huvudansvarig revisor och Cecilia Andrén Dorselius som medpåskrivande revisor intill utgången av årsstämman 2021.

The Chairman presented the Nomination Committee's proposal regarding the election of auditor. For the period extending to the close of the Annual General Meeting 2021, the Meeting re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB as the company's auditor with Magnus Willfors remaining as auditor in charge and Cecilia Andrén Dorselius as co-auditor.

§ 15

Ordföranden redogjorde kortfattat för valberedningens förslag till nya principer för tillsättning och instruktion för valberedningen i enlighet med Bilaga 2.

Konstaterades att förslaget ansågs framlagt vid stämman.

Stämman beslutade om principer i enlighet med valberedningens förslag.

The Chairman briefly presented the Nomination Committee's proposal regarding new principles for appointment and instructions for the Nomination Committee in accordance with Appendix 2.

It was noted that the proposal was to be considered presented at the Meeting.

The Meeting resolved to adopt the principles in accordance with the Nomination Committee's proposal.

§ 16

Ordföranden redogjorde kortfattat för styrelsens förslag avseende ändring av bolagsordningen i enlighet med Bilaga 3.

Konstaterades att förslaget ansågs framlagt vid stämman.

Stämman beslutade att ändra bolagsordningen i enlighet med styrelsens förslag samt att godkänna att bolagsordningen ska ha den lydelse som framgår av Bilaga 4.

Det antecknades att beslutet var enhälligt och att således beslutet fattats med erforderlig majoritet om 2/3 av såväl avgivna röster som vid stämman företrädde aktier.

The Chairman briefly presented the Board's proposal regarding amendment of the Articles of Association in accordance with Appendix 3.

It was noted that the proposal was to be considered presented at the Meeting.

The Meeting resolved to adopt the amended Articles of Association in accordance with the Board's proposal and approve the wording of the new Articles of Association as set out in Appendix 4.

It was noted that the resolution was unanimously adopted, and that the resolution thus was taken with the required majority of 2/3 of the votes cast as well as of the shares represented at the Meeting.

§ 17

Ordföranden redogjorde kortfattat för styrelsens förslag avseende riktlinjer för ersättning till ledande befattningshavare i enlighet med Bilaga 5.

Konstaterades att förslaget ansågs framlagt vid stämman.

Stämman beslutade om riktlinjer i enlighet med styrelsens förslag.

The Chairman briefly presented the Board's proposal regarding guidelines for remuneration to senior executives in accordance with Appendix 5.

It was noted that the proposal was to be considered presented at the Meeting.

The Meeting resolved to adopt the guidelines in accordance with the Board's proposal.

§ 18

Avslutningsvis tackade ordföranden stämmodeltagarna för deras engagemang och förklarade stämman avslutad.

Finally, the Chairman thanked the shareholders present for their participation and declared the Meeting closed.

Vid protokollet:
Minutes recorded by:

Ingrid Carlsson

Justeras:
Approved by:

Johan Malmquist

Leif Hansson

Leif Ljungholm

Arjo AB (publ)

Principles for the appointment of, and instructions for, the Nomination Committee

The Nomination Committee in respect of the Annual General Meeting shall be composed of members appointed by the three largest shareholders in terms of voting rights, based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable ownership information, as of 31 August of each year, and the Chairman of the Board of Directors. In addition, if the Chairman of the Board, in consultation with the member appointed by the largest shareholder in terms of voting rights, deems it appropriate, it shall include an, in relation to the company and its major shareholders, independent representative of the minor shareholders as a member of the Nomination Committee.

If one or some of the three largest shareholders refrain from appointing a member of the Nomination Committee, the Chairman of the Board shall offer other major shareholders to appoint a member of the Nomination Committee. If such an offer is made, it shall be made in order to the largest shareholders (*i.e.* first to the fourth largest shareholder, thereafter to the fifth largest shareholder, etc.). The procedure shall continue until the Nomination Committee consists of four members, including the Chairman of the Board, with the possible addition of a representative of the minor shareholders as described above.

If earlier than two months prior to the Annual General Meeting, one or more of the shareholders having appointed members to the Nomination Committee, no longer are among the three largest shareholders in terms of voting rights, members appointed by the shareholder(s) shall make their seats available and the shareholder or shareholders who then are among the three largest shareholders in terms of voting rights, may appoint their representatives. If a significant change has occurred in the ownership structure regarding the minor shareholder who have appointed a representative, another minor shareholder shall be contacted and have the right to appoint a representative, if the Nomination Committee deems it appropriate. Alternatively, the work of the Nomination Committee shall continue without a new representative for the minor shareholders.

When appointing a new member as a result of significant changes in ownership structure, the shareholder who is to appoint a new member shall, when appointing a new member, consider the composition of the existing Nomination Committee.

If a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to appoint a substitute member, such substitute member shall be appointed by the same shareholder or, if that shareholder is no longer one of the

largest shareholders in terms of voting rights, by the largest shareholder in turn. If it is a member who represents the minor shareholders who leaves the Nomination Committee, the substitute member shall be appointed by the same shareholder or another minor shareholder.

The composition of the Nomination Committee shall normally be announced no later than six months prior to the General Meeting. Changes in the composition of the Nomination Committee shall be announced immediately.

The mandate period for the Nomination Committee ends when the composition of the succeeding Nomination Committee has been announced. The member representing the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. The Chairman of the Board of Directors shall convene the Nomination Committee to its first meeting.

The Nomination Committee shall observe the requirements set by the Swedish Companies Act and the Swedish Corporate Governance Code for its work and proposals. The Nomination Committee shall submit proposals for the Chairman of the Annual General Meeting, the number of Board members elected by the General Meeting, the Chairman of the Board, other Board members elected by the General Meeting, the number of auditors, the auditor(s), remuneration to the Board of Directors, divided between the Chairman and the other directors, and remuneration for committee work, remuneration to the company's auditors, and any changes in the proposal for principles for the Nomination Committee in respect of the Annual General Meeting.

The Nomination Committee shall meet as often as is necessary for the Nomination Committee to fulfil its duties. Notice convening other meetings is issued by the Chairman of the Nomination Committee. If a member requests that the Nomination Committee shall be convened, the request shall be complied with. The Nomination Committee is quorate if more than half of the members are present. However, a decision shall not be made on a matter unless all members have been offered the opportunity to participate in the handling of the matter. Resolutions of the Nomination Committee shall be adopted by a simple majority of the members present or, in the event of a tied vote, the Chairman shall have the casting vote. Minutes shall be kept at the Nomination Committee's meetings, which shall be signed and adjusted by the Chairman of the Nomination Committee and the member appointed by the Nomination Committee.

No remuneration shall be paid to the members of the Nomination Committee. Any necessary expenses for the Nomination Committee's work shall be borne by the company. The Nomination Committee has the right to charge the company with reasonable costs, such as recruitment costs, if it is deemed necessary to obtain a suitable selection of candidates for the Board of Directors.

A member of the Nomination Committee is subject to a duty of confidentiality regarding the company's affairs and this obligation shall be confirmed by the member at the company's request, by signing a special confidentiality agreement between the member and the company. This instruction shall apply until further notice.

Proposal for amendment of the Articles of Association – Arjo AB

For the purpose of adapting the Articles of Association to expected amendments of the Swedish Companies Act, the Board of Directors' proposes that the Annual General Meeting resolves to amend § 10 of the Articles of Association with the following.

	Current wording	Proposed wording
§ 10	<p>Notice convening a general meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Svenska Dagbladet that notice convening a general meeting has been made.</p> <p>Shareholders that wish to participate in a general meeting shall be recorded in a print-out or other representation of the entire share register as at the date falling five weekdays (Sw. vardagar) prior to the meeting and notify the company of their intention to participate by the date specified in the notice convening the meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.</p> <p>At a general meeting, shareholders may be accompanied by one or two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.</p>	<p>Notice convening a general meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Svenska Dagbladet that notice convening a general meeting has been made.</p> <p>Shareholders that wish to participate in a general meeting shall be recorded in a print-out or other representation of the entire share register as <i>per the record date of the general meeting, as determined in accordance with the Swedish Companies Act</i> and notify the company of their intention to participate by the date specified in the notice convening the meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.</p> <p>At a general meeting, shareholders may be accompanied by one or two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.</p>

Authorisation

The Board of Directors proposes that the CEO be authorised to make a few editorial amendments in the above proposal that could be deemed necessary in relation to registration with the Swedish Companies Registration Office.

Voting majority

The resolution of the meeting regarding amendment of the Articles of Association is subject to the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the meeting in order to be valid.

Malmö in January 2020

The Board of Directors of Arjo AB (publ)



Articles of Association of Arjo AB (publ), reg.no. 559092-8064

§ 1. Company name

The name of the company is Arjo AB (publ).

§ 2. Object of the company's business

The object of the company's operations shall be to, directly or indirectly through subsidiaries, engage in the manufacture and sale of medical technical equipment, and in any other activities compatible therewith.

§ 3. Registered office

The registered office of the company's Board of Directors is in the municipality of Malmö.

§ 4. Share capital

The company's share capital shall amount to not less than SEK 75,000,000 and not more than SEK 300,000,000.

§ 5. Number of shares

The number of shares shall not be fewer than 150,000,000 and not more than 600,000,000.

The shares may be issued in two series, series A and series B. Shares of each series may be issued to a number corresponding to the entire share capital.

In connection with voting at a general meeting, shares of series A shall carry ten (10) voting rights per share and shares of series B shall carry one (1) voting right per share.

§ 6. Preferential rights in connection with share capital increases

In the event of the company deciding to issue new shares of series A and series B through a cash issue or an offset issue, owners of series A and series B shall have preferential rights to subscribe for new shares of the same series in relation to the number of shares previously held by them (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares offered in this manner is insufficient for subscription, based on subsidiary preferential rights, the shares shall be distributed among the subscribers in relation to the number of shares already held and previously owned by them, and, to the extent that this is not possible, by drawing of lots.

If the company decides to issue new shares solely of series A or series B through a cash issue or an offset issue, all shareholders, regardless of whether they own shares of series A or series B, shall have preferential rights to the subscription of new shares in relation to the number of shares previously held.

If the company decides to issue share warrants or convertibles through a cash issue or offset issue, the shareholders shall have preferential rights to subscribe for share warrants as if the issue applied to the shares that may be newly subscribed for as a result of the warrant rights, or shall have preferential rights to subscribe for convertibles as if the issue applied to shares for which the convertibles may be exchanged.

The above stipulations shall not constitute any infringement on the possibility to make a decision regarding a cash issue or an offset issue in which the preferential rights of shareholders are waived.

In the event of an increase in share capital through a bonus issue, new shares of each series shall be issued in relation to the number of shares of the same series already held. In such cases, old shares of a specific series carry entitlement to new shares of the same series. The aforementioned stipulation shall not constitute any infringement on the possibility, following the requisite amendment in the Articles of Association, to issue shares of a new series through a bonus issue.

§ 7. Board of Directors

The Board of Directors shall, in addition to any members who, pursuant to Swedish law, may be appointed other than by a general meeting of the company, comprise no fewer than three (3) and no more than ten (10) members.

§ 8. Auditors

The company shall have one (1) or two (2) auditors and not more than two (2) deputy auditors. An authorised auditor or a registered auditing firm shall be appointed as the company's auditor.

§ 9. Annual General Meeting

The annual general meeting shall be held within six (6) months from the end of the financial year. At the annual general meeting the following shall be addressed:

1. Election of the chairman of the meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to certify the minutes.
4. Determination of whether the meeting has been duly convened.
5. Approval of the agenda.
6. Presentation of the annual report and the auditor's report, and if applicable, the consolidated financial statements and the group auditor's report.
7. Resolutions regarding the following:
 - a. adoption of the income statement and the balance sheet, and, if applicable, the consolidated income statement and the consolidated balance sheet;
 - b. allocation of the company's profit or loss according to the adopted balance sheet;
 - c. discharge from liability for members of the Board of Directors and the managing director.
8. Resolution regarding fees for the Board of Directors and fees for the auditors.

9. Resolution regarding the number of directors of the Board of Directors and auditors and deputy auditors.
10. Election of directors and auditors and deputy auditors.
11. Any other matter on which the annual general meeting is required to decide pursuant to the Swedish Companies Act or the Articles of Association.

§ 10. Notice

Notice convening a general meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Svenska Dagbladet that notice convening a general meeting has been made.

Shareholders that wish to participate in a general meeting shall be recorded in a print-out or other representation of the entire share register as per the record date of the general meeting, as determined in accordance with the Swedish Companies Act and notify the company of their intention to participate by the date specified in the notice convening the meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

At a general meeting, shareholders may be accompanied by one or two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.

§ 11. Financial year

The company's financial year shall comprise the period from 1 January up to and including 31 December.

§ 12. CSD company

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

Adopted by the Annual General Meeting on 29 June 2020.

Proposal for guidelines for executive remuneration – Arjo AB

The Board of Directors of Arjo AB (publ) proposes that the annual general meeting 2020 resolves on the following guidelines for executive remuneration:

1. Scope of the guidelines, etc.

These guidelines cover remuneration and other terms of employment for individuals being part of the group management of Arjo AB during the validity of the guidelines, in the following referred to as “senior executives”. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

2. Promotion of Arjo’s business strategy, long-term interests and sustainability, etc.

A prerequisite for the successful implementation of the company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The basic principle is that remuneration and other terms and conditions of employment for senior executives shall be based on market conditions and be competitive in all markets where Arjo operates, to ensure that competent and skilful employees can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, responsibility and performance and be market-conforming in the country in which the senior executive is employed.

3. Principles for various types of remuneration

The total remuneration to senior executives shall be on market terms and comprise basic salary (fixed cash salary), variable remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remunerations.

Fixed remuneration

The fixed remuneration for each position is determined based on a global position evaluation system and external market payroll data. The fixed remuneration, meaning the basic salary, shall be based on the individual executive’s area of responsibility, authority, competence and performance.

Variable remuneration

The allocation of basic salary and variable remuneration shall be proportional to the responsibility and authority of the executive. The variable remuneration shall always be limited in advance to a maximum amount and be connected to predetermined and measurable criteria, designed with the purpose of promoting the company's business strategy and long-term value creation.

The company's sustainability work is incorporated in the ongoing operations of the company. If the company's key guidelines for sustainability work or ethical guidelines are not followed, the company may refrain from paying variable remuneration or reclaim the paid remuneration. The annual variable remuneration is constructed in such a way that it supports Arjo's strategy to develop products and solutions on a long-term basis which contribute to improve care outcomes, create a more efficient care process, enable a better work environment for healthcare professionals and increase the quality of life for patients. If the above activities are conducted in an efficient and sustainable way, it will result in improved financial results and increased capital efficiency, which form the basis for the variable remuneration.

Annual variable remuneration (STIP)

For senior executives, the annual variable remuneration (annual bonus) shall be capped at 50% of the fixed annual basic salary, except in cases where the nature and competition situation of the position, as well as the country of employment, so require. In such cases the annual variable remuneration shall be capped at 80% of the fixed annual basic salary. The variable remuneration shall be based on the objectives set by the Board of Directors. The objectives are related to earnings, volume growth, working capital and cash flow. All members of the group management have the same goals for annual variable remuneration with the purpose of promoting the shareholders' interests, the company's core values, and jointly strive to achieve the company's business strategy, long-term interests and a sustainable development of the company.

Variable long-term cash bonus (LTIP)

In addition to basic salary and the annual variable remuneration above, senior executives can obtain a variable long-term bonus (LTI bonus), awarding clear target based and measurable achievements, and which is conditional upon continued employment at the end of the performance period of the LTI bonus (with certain customary exceptions). The criteria for payment of the LTI bonus shall be designed to contribute to Arjo's business strategy and long-term interests, including its sustainability, by having a clear connection to the business strategy. The criteria for the LTI bonus are related to earnings per share, adjusted for potential acquisitions, divestments, restructuring costs and/or other material non-recurring costs. By connecting the targets to shareholder interests, common interests are created which further aim at promoting Arjo's business strategy and long-term interests. The performance period for the LTI bonus shall be at least three financial years and the LTI bonus shall be capped at 100% of

one year's basic salary for each three-year period, i.e. one third of the annual basic salary per year. Senior executives in the group management shall reinvest at least 50% of the paid amount (net, after taxes) in each LTI program, in Arjo shares, until an amount corresponding to an annual salary (gross) of the capital that the senior executive has been paid under LTI programs set up by the company, has been reinvested in shares in the company. The senior executives shall keep these shares for at least three years from the time of investment.

Determination of the outcome for variable remuneration, etc.

When the measurement period of the criteria for awarding variable cash remuneration has been finalised, the Board of Directors shall, based on a proposal from the remuneration committee, determine whether the criteria have been satisfied. When determining the satisfaction of the criteria, the Board of Directors, may based on a proposal from the remuneration committee, grant exceptions from the set criteria on the basis of what is mentioned in item 5 below. For the satisfaction of financial objectives, the evaluation shall be based on the latest financial information made public by the company, taking into account any adjustments that the Board of Directors has determined in advance when implementing the program. Variable cash remuneration can be paid after the completion of a measurement period (annual variable remuneration) or be subject to deferred payment (LTI bonus).

Arjo actively works with ensuring that the company is managed in the most sustainable, responsible and efficient way possible and that applicable legislation and other regulations are complied with. Arjo also applies internal rules which include a code of conduct and different steering documents on group level (policies, instructions and guidelines) in several areas. Variable remuneration shall not be awarded, or variable remuneration may be reclaimed, if senior executive has acted contrary to these rules, principles or the company's code of conduct. In case earnings before taxes are negative, variable remuneration shall not be awarded. The Board of Directors shall have the possibility, pursuant to applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

Other variable remuneration

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to 50% of the basic salary and may not be paid more than once each year and per each individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the remuneration committee. In addition to the variable remuneration above, share-related or share price-related incentive programs as resolved from time to time, may be set up according to the above.

Pension

For the CEO, pension benefits shall be premium defined. The pension premiums for premium defined pension shall amount to not more than 30% of the fixed basic salary. Variable cash remuneration shall not qualify for pension benefits.

Other senior executives shall be covered by ITP 1 or ITP 2 and the pension benefits shall be premium defined. Variable cash remuneration shall only qualify for pension benefits to the extent required by mandatory collective agreement provisions as applicable to the executive. Should that be the case, it should be considered when forming the total remuneration package. The pension premiums for premium defined pension shall amount to not more than 30% for parts exceeding the cap in applicable ITP plan.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits such as company car, extra health insurance or occupational health service may be provided to the extent this is considered customary for senior executives holding equivalent positions on the labour market on which the employee operates. The total value of these benefits shall amount to not more than 10% of the fixed basic salary.

Terms of notice

Senior executives shall be employed until further notice. Upon termination of the CEO's employment, if such termination is determined by the company, the notice period shall be twelve (12) months. The notice period may not exceed twelve (12) months if notice of termination of other senior executives' employment is made by the company. The notice period may not to exceed six (6) months, without any right to severance pay, when termination is made by the executive.

Senior executives may be compensated for a non-compete undertaking after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the monthly basic salary at the time of termination of the employment, and the (lower) monthly income which is obtained, or could be obtained, by a new employment agreement, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of twelve (12) months after the termination of the employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by

including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

4. The decision-making process to determine, review and implement the guidelines

The Board of Directors has previously established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. These guidelines are subject to review on annual basis by the Board of Directors and submitted for resolution by the annual general meeting when changes are proposed, or at least every four years. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

5. Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there are special reasons that motivate it and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

6. Other

The guidelines entail a level of remuneration which in principle is equivalent to that for the financial year 2019.

Information on remuneration, etc. to senior executives during the financial year 2019 is set forth on page 85 (part of note 5) of the Annual Report 2019.

Malmö in January 2020

The Board of Directors of Arjo AB (publ)