

Protokoll fört vid årsstämma med aktieägarna i **Arjo AB (publ)**, org. nr 559092-8064, i Malmö den 18 april 2024

*Minutes kept at the Annual General Meeting of shareholders in **Arjo AB (publ)**, corporate ID No. 559092-8064, held in Malmö, Sweden, on 18 April 2024*

§ 1

Stämman öppnades av styrelsens ordförande, Johan Malmquist.

The Chairman of the Board, Johan Malmquist, opened 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.

Det noterades att, utöver styrelsens ordförande Johan Malmquist, närvarade från Arjos styrelse, styrelseledamoten och tillika koncernchefen och verkställande direktören Joacim Lindoff, styrelseledamoten och tillika valberedningens ordförande Carl Bennet, styrelseledamöterna Carola Lemne, Eva Elmstedt, Dan Frohm och Ulf Grunander, styrelsens ordinarie arbetstagarrepresentanter Sten Börjesson och Kajsa Haraldsson samt arbetstagarrepresentanten Jimmy Linde. Därtill noterades att auktoriserade revisorn Vicky Johansson var närvarande vid stämman.

Upplystes att styrelsen inför bolagsstämman, i enlighet med bolagets bolagsordning, beslutat att möjliggöra för aktieägare att rösta på förhand genom poströstning samt att förutom anmälda aktieägare, vissa andra personer skulle ha rätt att närvara 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, in addition to the Chairman of the Board Johan Malmquist, the Board of Arjo was represented through the Board member, President and CEO Joacim Lindoff, the Board member and Chairman of the Nomination Committee Carl Bennet, the Board members Carola Lemne, Eva Elmstedt, Dan Frohm and Ulf Grunander, the Board's ordinary employee representatives Sten Börjesson and Kajsa Haraldsson as well as employee representative deputy member Jimmy Linde. In addition, the authorized public accountant, Vicky Johansson, was present at the Meeting.

It was informed that the Board ahead of the Meeting, in accordance with the company's Articles of Association, had resolved to enable shareholders to vote in advance by postal voting and that, in addition

to shareholders having notified their participation, certain other persons should be allowed to participate as audience at the Meeting.

§ 3

Stämman godkände förfarandet för upprättande av röstlängden samt att förteckningen i Bilaga 1 över aktieägare som avgivit poströst eller som närvarade personligen eller genom ombud på stämman 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 voting by post or who were present in person or through a representative at the Meeting, 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

Anna Magnusson, representerande Första AP-fonden, och Jannis Kitsakis, representerande Fjärde AP-fonden, utsågs att jämte ordföranden justera dagens protokoll.

Anna Magnusson, representing Första AP-fonden, and Jannis Kitsakis, representing Fjärde AP-fonden, were appointed to approve the minutes, jointly with the Chairman.

§ 6

Antecknades att kallelse till stämman skett genom annonsering i Post- och Inrikes Tidningar den 18 mars 2024 samt att kallelsen offentliggjorts och hållits tillgänglig på bolagets webbplats den 13 mars 2024. Att kallelse har skett har vidare annonserats i Svenska Dagbladet den 18 mars 2024. Stämman konstaterades vara i behörig ordning sammankallad.

It was noted that notice to attend the Annual General Meeting had been published on 18 March 2024 in Post- och Inrikes Tidningar and that the notice was made available at the company's website on 13 March 2024. Further, on 18 March 2024, the company announced in Svenska Dagbladet 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 och revisionsberättelse samt koncernbalans- och koncernresultaträkning och koncernrevisionsberättelse för räkenskapsåret 2023 liksom revisorsyttrande om huruvida gällande riktlinjer för ersättning till ledande befattningshavare har följts samt styrelsens förslag till vinstutdelning och motiverat yttrande däröver har funnits tillgängliga på bolaget och bolagets hemsida och skickats till de aktieägare som anmält att de vill erhålla dessa.

Konstaterades att ovan nämnda handlingar ansågs framlagda vid stämman.

Auktoriserade revisorn Vicky Johansson föredrog revisionsberättelsen och koncernrevisionsberättelsen över årsredovisningen, koncernredovisningen, räkenskaperna samt styrelsens och verkställande direktörens förvaltning för räkenskapsåret 2023.

The Chairman reported that the Board's and the CEO's Annual Report with the accompanying Balance Sheet and Income Statement and Auditor's Report and the Consolidated Balance Sheet and Consolidated Income Statement and the Group Auditor's Report for the financial year 2023 as well as the statement of the auditor on the compliance of the applicable guidelines for remuneration to senior executives and the Board's proposal for appropriation of the company's profit and the Board's reasoned statement thereon have been available at the company and 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 authorised public accountant Vicky Johansson presented 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 2023.

§ 8

Ordföranden redogjorde för bolagsstyrningsfrågor inom Arjo-koncernen samt för styrelsearbetet och arbetet inom ersättningsutskottet under det gångna verksamhetsåret.

Ordföranden för revisionsutskottet, Ulf Grunander, redogjorde för arbetet inom revisionsutskottet under verksamhetsåret 2023 samt för det arvode bolaget erlagt för revisionsuppdraget respektive andra uppdrag till bolagets revisorer.

The Chairman reported on corporate governance matters within Arjo Group, the work of the Board and the work of the Remuneration Committee during the preceding business year.

The Chairman of the Audit Committee, Ulf Grunander, reported on the work performed by the Audit Committee during the business year 2023 and the fees the company had paid for the audit assignment and other assignments conducted by the company's auditors.

§ 9

Verkställande direktören tillika styrelseledamoten och koncernchefen Joacim Lindoff höll ett anförande avseende verksamhetsåret 2023. I anslutning därtill besvarades frågor från aktieägarna.

The CEO, Board member and President Joacim Lindoff reported on the business year 2023. In connection thereto, questions from the shareholders were answered.

§ 10

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.

§ 11

Stämman beslutade

att i enlighet med styrelsens och verkställande direktörens förslag på så sätt att till aktieägarna utdelas 0,90 kronor per aktie motsvarande totalt 245 132 616 kronor samt att resterande belopp balanseras i ny räkning samt att såsom avstämningsdag för rätt till utdelning fastställa den 22 april 2024.

Konstaterades att utdelning beräknas kunna utsändas av Euroclear Sweden AB med början den 25 april 2024.

The Meeting resolved

to *in accordance with the Board's and the CEO's proposal to pay to the shareholders a dividend of SEK 0,90 per share, in total SEK 245,132,616 and that the remaining amount be carried forward.*

and to *set the record date for the entitlement to dividends as 22 April 2024.*

It was noted that dividend payments through Euroclear Sweden AB were expected to commence on 25 April 2024.

§ 12

Stämman beslutade att bevilja styrelsens ledamöter och verkställande direktören Joacim Lindoff ansvarsfrihet för räkenskapsåret 2023.

Det antecknades att varken aktieägande styrelseledamöter 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 2023.

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

§ 13

Valberedningens ordförande, Carl Bennet, redogjorde för valberedningens förslag till beslut avseende punkterna 13–16 samt valberedningens uppgifter och arbete inför årsstämman 2024.

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

The Chairman of the Nomination Committee, Carl Bennet, reported on the Nomination Committee's proposals under items 13–16 as well as the functions and the work of the Nomination Committee ahead of the Annual General Meeting 2024.

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

§ 14

Stämman beslutade i enlighet med valberedningens förslag att arvode till av bolagsstämman valda styrelseledamöter, exklusive utskottsarvode, ska utgå med ett sammanlagt belopp om 5 867 400 kronor, varav 1 649 400 kronor till ordföranden och 703 000 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 292 000 kronor till ordföranden och 146 000 kronor till var och en av övriga ledamöter och att ersättning för arbete i ersättningsutskottet ska utgå med 156 800 kronor till ordföranden och 111 400 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, excluding committee fees, be paid in a total amount of SEK 5,867,400, of which SEK 1,649,400 shall be paid to the Chairman and SEK 703,000 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 292,000 to the Chairman and SEK 146,000 to each of the other members, and that fees to the Remuneration Committee be paid in an amount of SEK 156,800 to the Chairman and SEK 111,400 to each of the other members. The Meeting resolved that fees to the auditors shall be paid in accordance with approved invoices.

§ 15

Noterades att valberedningen föreslagit omval av samtliga styrelseledamöter, vilka utgörs av Johan Malmquist, Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne och Joacim Lindoff, samt nyval av Ulrika Dellby. 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 samt att en presentation av Ulrika Dellby och hennes uppdrag framgår av kallelsen samt valberedningens förslag och motiverade yttrande. 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: Johan Malmquist, Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne och Joacim Lindoff (samtliga omval) samt Ulrika Dellby (nyval).

styrelseordförande: Johan Malmquist (omval).

Ordföranden informerade att arbetstagarorganisationerna meddelat att Sten Börjesson och Kajsa Haraldsson ska utgöra ordinarie arbetstagarledamöter i styrelsen, med Jimmy Linde och Madelène Carlsson som suppleanter.

It was noted that the Nomination Committee had proposed re-election of all Board members, which consists of Johan Malmquist, Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne and Joacim Lindoff, as well as new election of Ulrika Dellby. 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, and that a presentation of

Ulrika Dellby and her assignments is set out in the convening notice and the Nomination Committee's proposal and reasoned statement. 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: Johan Malmquist, Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne and Joacim Lindoff (all re-election) and Ulrika Dellby (new election).

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

The Chairman informed that the employee organizations had notified that Sten Börjesson and Kajsa Haraldsson shall be ordinary employee representatives of the Board, with Jimmy Linde and Madelène Carlsson as deputy members.

§ 16

Stämman omvalde revisionsbolaget Öhrlings PricewaterhouseCoopers AB till bolagets revisor med Vicky Johansson som huvudansvarig revisor intill utgången av årsstämman 2025.

For the period extending to the close of the Annual General Meeting 2025, the Meeting re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB as the company's auditor with Vicky Johansson as auditor in charge.

§ 17

Ordföranden föredrog styrelsens förslag avseende riktlinjer för ersättning till ledande befattningshavare enligt Bilaga 2.

Noterades att styrelsens fullständiga förslag har hållits tillgängligt hos bolaget och på bolagets hemsida tre veckor före stämman, har skickats till de aktieägare som så begärt samt fanns tillgängligt vid stämman. Konstaterades att förslaget därmed var framlagt vid stämman. Bereddes aktieägarna tillfälle för frågor.

Stämman beslutade om riktlinjer för ersättning till ledande befattningshavare i enlighet med styrelsens förslag.

The Chairman presented the Board's proposal regarding guidelines for remuneration to senior executives in accordance with Appendix 2.

It was noted that the Board of Director's complete proposal had been available at the company and on the company's website three weeks prior the Meeting, had been sent to all shareholders who so requested and was available at the Meeting. It was noted that the proposal thereby was duly presented at the Meeting. The shareholders were given the opportunity to ask questions.

The Meeting resolved to adopt the guidelines for remuneration to senior executives in accordance with the Board's proposal.

§ 18

Noterades att styrelsens fullständiga förslag till rapport över ersättningar enligt 8 kap. 53 a § aktiebolagslagen, Bilaga 3, har hållits tillgänglig hos bolaget och på bolagets hemsida tre veckor före stämman, skickats till de aktieägare som så begärt samt fanns

tillgängligt vid stämman. Konstaterades att rapporten därmed var framlagd vid stämman.

Stämman beslutade att godkänna styrelsens förslag till ersättningsrapport för 2023.

It was noted that the Board of Director's complete proposal for report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act, Appendix 3, had been available at the company and on the company's website three weeks prior the Meeting, had been sent to all shareholders who so requested and was available at the Meeting. It was noted that the report thereby was duly presented at the Meeting.

The Meeting resolved to adopt the remuneration report for 2023 in accordance with the Board of Directors' proposal.

§ 19

Ett stort tack riktades till verkställande direktören, ledningen och övrig personal i Arjo för utomordentliga insatser under det gångna verksamhetsåret.

Eva Sandling Gralén och Cecilia Andrén Dorselius avtackades för värdefulla insatser för bolaget i rollerna som arbetstagarrepresentant i styrelsen respektive huvudansvarig revisor.

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

A great thanks was directed to the CEO, the Executive Management Team and the other employees of Arjo for extraordinary efforts during the past financial year.

Eva Sandling Gralén and Cecilia Andrén Dorselius were thanked for valuable contributions to the company in their roles as employee representative of the Board of Directors and auditor in charge, respectively.

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

Anna Magnusson

Jannis Kitsakis

Proposed guidelines for executive remuneration – Arjo AB (publ)

The Board of Arjo AB (publ) proposes that the 2024 AGM resolve on guidelines for remuneration to senior executives:

1. Scope of the guidelines, etc.

These guidelines refer to remuneration and other employment conditions for the individuals who are members of the Arjo Management Team during the validity of the guidelines, in the following referred to as “senior executives.” The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2024 AGM. These guidelines do not apply to any remuneration resolved 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 skillful 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 base 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 remuneration.

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 base salary, shall be based on the individual executive’s area of responsibility, authority, competence and performance.

Variable remuneration

The allocation of base 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

For senior executives, the annual variable remuneration (annual bonus) shall be capped at 50% of the fixed annual base 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 base 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, cash flow and sustainability. 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

In addition to base salary and the annual variable remuneration above, senior executives can obtain a variable long-term bonus, awarding clear target based and measurable achievements, and which is conditional upon continued employment at the end of the performance period (with certain customary exceptions). The criteria for payment of the variable long-term cash bonus are to be designed so that they promote Arjo's business strategy and long-term interests, including its sustainability, by having a clear link to the business strategy. The criteria for the variable long-term cash 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, mutual interests are created which further aims to promote Arjo's business strategy and long-term interests. The performance period for the variable long-term cash bonus shall be at least three fiscal years and shall be capped at 100% of one year's base salary for each three-year period, i.e. one third of the annual base salary per year. Senior executives in the Management Team are to reinvest at least 50% of the payment (net after tax) from each program in Arjo shares, until an amount corresponding to one annual salary (gross) 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 performance period of the criteria for awarding variable cash remuneration has been concluded, the Board of Directors shall, based on a proposal from the Remuneration Committee, determine whether the criteria have been achieved. When determining the achievement 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 achievement 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 performance period.

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 various 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 the 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 full or partially reclaim variable remuneration paid on incorrect grounds (clawback).

Other variable remuneration

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are exclusively made for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to 50% of the base salary and may not be paid more than once each year and per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

For the CEO, pension benefits shall be based on defined contribution. The pension premiums for defined contributions shall amount to not more than 35% of the fixed base salary. Variable cash remuneration shall not qualify for pension benefits.

Other senior executives pension benefits shall be based on defined contributions and the pension benefits shall be no more than 30% of fixed base salary. Senior executives employed in Sweden shall have a pension defined by ITP1 or ITP2, whereas with a cost that is within the 30% of fixed base salary. Variable cash remuneration shall only qualify for pension benefits to the extent required by mandatory collective agreement provisions as applicable to the executive.

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, medical 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 where the employee operates. The total value of these benefits shall amount to not more than 10% of the fixed base 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. For other senior executives, the notice period may not exceed twelve (12) months if notice of termination is made by the company. The notice period may not 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 base 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. Remuneration shall be paid during the time the non-compete undertaking applies, however for not more than 12 months following termination of employment. Compensation for non-compete undertaking may not exceed 60% of the employee's fixed base compensation, deducted with other income the employee may receive.

Salary and employment conditions for employees

In the preparation of the Board's 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's basis for decision. These inputs have been used 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 is 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. Derogation from the guidelines

The Board may resolve to temporarily derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation 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's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Malmö in March 2024

The Board of Directors of Arjo AB (publ)

Annual remuneration report 2023

Introduction

This report describes how the principles of remuneration for senior executives at Arjo, adopted by the Annual General Meeting 2022, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's application of the performance criteria for awarding variable cash remuneration.

Further information on executive remuneration is available in note 3 (Personnel) on pages 76–78. Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report available on pages 49–61.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 3 on pages 76–78.

Key developments 2023

The CEO summarizes the company's overall performance in his statement on page 8.

Guidelines for remuneration

The company's remunerations principles are to be designed to ensure for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainable business methods. Remuneration and other employment terms and conditions for senior executives is to be market-based and competitive in every market where the company is active so as to attract, develop and retain skilled and competent employees.

Individual levels of remuneration shall be based on experience, competence, responsibility and performance and market factors in the country in which the senior executive is employed.

The remuneration guidelines, adopted at the 2022 Annual General Meeting, and the auditor's report on whether the company followed these guidelines in 2023 are available on the company's website www.arjo.com. Remuneration guidelines are presented in their entirety on pages 65–67.

Total remuneration of CEO

In 2023, the CEO of Arjo received the following remuneration components; basic pay, variable cash remuneration, pension contributions and other benefits.

Basic pay includes vacation pay. Other remuneration, when paid, includes severance pay. Annual variable remuneration refers to remuneration earned and paid for the 2023 fiscal year. Long-term variable remuneration refers to remuneration earned and paid for the 2021–2023 fiscal years.

Table 1 – Total remuneration of the CEO

The table below sets out total remuneration (SEK) expensed for Arjo's CEO in 2023, 2022, 2021, 2020 and 2019.

Name of Director, position	Fiscal year	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expenses	Total remuneration	Proportion of fixed/variable remuneration
		Basic pay	Other benefits	One-year variable	Multi-year variable				
Joacim Lindoff CEO	2023	9,539,498	124,776	4,618,688	0	0	2,771,212	17,054,174	73/27
	2022	9,103,500	151,954	446,250	0 ²⁾	0	2,677,500	12,379,204	96/4
	2021	8,618,999	1,171,304 ¹⁾	6,800,000	2,925,795	0	2,550,000	22,066,098	56/44
	2020	8,130,000	1,082,492 ¹⁾	6,426,000	2,258,678	0	2,409,750	20,306,920	57/43
	2019	7,803,000	239,709 ¹⁾	650,000	0	0	2,295,000	10,987,709	94/6

1. Including variable vacation pay, but excluded from 2022.

2. Vested amount for 2022 from Arjo LTI programs 3–5, of which SEK 0 to be paid during 2023.

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Share-based remuneration

The company does not have any share-based incentive plans.

Description of significant changes to the guidelines and consideration of the opinions of the shareholders

In 2023, the company complied with the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the principles have been decided and no derogations from the procedure for implementation of the principles have been made. No opinions on the remuneration guidelines were presented.

Drafting and decision-making process

During the year, the Remuneration Committee gave the Board its recommendations concerning policies for the remuneration of senior executives. The recommendations included the proportion between fixed and variable remuneration, the size of possible pay increases and proposals on criteria for assessment of bonus outcomes.

The Board discussed the Remuneration Committee's proposals and decided in line with the Remuneration Committee's recommendations. Remuneration of the CEO for the 2023 fiscal year was decided by the Board taking into account the Remuneration Committee's recommendations. Remuneration of other senior executives was decided by the CEO in consultation with the Remuneration Committee. During 2023, the Remuneration Committee was convened on three occasions.

Table 2a - Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable short-term compensation have been applied during the fiscal year.

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/remuneration outcome
Joacim Lindoff CEO	Adjusted earnings before interest, tax depreciation and amortization (EBITDA) ¹⁾	65%	a) SEK 2,039 M b) SEK 2,655,746
	Working Capital (R12)	25%	a) 134 days b) SEK 1,501,073
	Sustainability CO ₂ reduction	5%	a) 6,451 tons CO ₂ b) SEK 230,934
	Sustainability SBTi implementation	5%	a) Implementation step completed b) SEK 230,934

1. Adjusted for exceptional items and translated at last year's exchange rates.

Table 2b - Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable long-term compensation have been applied during the fiscal year.

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/ remuneration outcome
Joacim Lindoff CEO	Earnings per share (adjusted EPS) 2023 ²⁾ : Target 3.1 (average) (Program 4 2021-2023)	33.3%	a) SEK 1.80 b) SEK 0 (earned)
	Earnings per share (adjusted EPS) 2023 ²⁾ : Target: 3.1 (average) (Program 5 2022-2024)	33.3%	a) SEK 1.79 b) SEK 0 (estimated)
	Earnings per share (adjusted EPS) 2023 ²⁾ : Target 3.1 (average) (Program 6 2023-2025)	33.3%	a) SEK 2.24 b) SEK 0 (estimated)

2. Adjusted for exceptional items and translated at last year's exchange rates.

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Comparative information on the change of remuneration and Arjo's performance

Table 3 – Change of remuneration and Arjo's performance over the last five reported fiscal years (RFY)

Annual change	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
Joacim Lindoff, CEO	SEK +9,319,211	SEK +1,759,178	SEK -9,686,894	SEK +4,674,970	SEK 17,054,174
Arjo's performance					
Group operating profit	SEK +195 M	SEK +211 M	SEK -386 M	SEK +191 M	SEK 884 M
Group net sales	SEK +102 M	SEK -8 M	SEK +909 M	SEK +1,001 M	SEK 10,980 M
Average remuneration on a full-time equivalent basis of employees					
Arjo employees ³⁾	SEK +72,653	SEK +112,311	SEK -62,205	SEK -21,906	Average total remuneration is SEK 902,488
Arjo employees ⁴⁾ Actual number	179 vs 173	192 vs 179	206 vs 192	188 vs 206	188 employees

3. The average remuneration of a full-time equivalent includes all employees in Sweden (excluding the Management Team), annual basic pay during the year, pension contributions for the year and the outcome of variable pay paid in 2023.

4. Refers to all employees in Sweden (excluding Management Team).