

CAPIO AB (publ)

PROPOSAL OF THE BOARD OF DIRECTORS ON GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR MANAGERS

The Board of Directors proposes that the Annual General Meeting 2018 adopts guidelines for remuneration to the CEO and other senior managers in accordance with the following.

These guidelines concern the remuneration and other terms of employment for the CEO and other senior managers. Senior managers include Group Management. The guidelines are valid for employment agreements entered into after the approval of the guidelines by the AGM, and for changes made to existing employment agreements thereafter.

Remuneration to the CEO and other senior managers will include fixed salary (base salary), possible variable remuneration, other benefits and pension. The variable compensation comprises (i) an individual annual variable compensation, and may also, as a supplement, include (ii) a long-term incentive program.

The total remuneration should correspond to market conditions and be competitive in the senior manager's relevant labor market. Fixed salary and variable remuneration is to be linked to the manager's responsibility and authority. The annual variable salary for the CEO and the other members of the management may not amount to more than 60 percent of the fixed annual gross salary. The variable remuneration is to be based on the outcome of predetermined objectives and, as far as possible, be linked to the growth in value of the Capio share, from which the shareholders benefit.

The estimated costs of the company for variable remuneration to senior executives according to the proposal of the Board is set forth in the [Appendix](#).

Programs for variable remuneration shall be designed in such a way as to enable the Board of Directors, if exceptional economic conditions prevail, to restrict or omit payment of the variable remuneration if such action is deemed reasonable and consistent with the company's responsibility towards shareholders, employees and other stakeholders.

In order to establish a long-term perspective in the decision-making and to ensure long-term achievement of goals, the Board of Directors may propose the general meeting to resolve on long-term incentive programs. The program participants shall be nominated based on, i. a. competence and performance. The outcome shall be dependent on the fulfillment of certain predetermined performance requirements. The aim of the Group's long-term incentive programs shall be to create a long-term commitment to Capio, to offer the participants to take part in Capio's long-term success and value creation and to create possibilities to attract and retain members of the management and key employees. It should however be noted that issues and transfers of securities resolved by the general

meeting pursuant to the so-called Leo regulations in Chapter 16 of the Swedish Companies Act shall not be comprised by these guidelines.

In the event of termination of employment, the notice period should not exceed 12 months. The right to severance payment, which shall only be payable if the termination is initiated by the company, should not exceed 12 months, and include a reduction of other income during the period. Consequently, the combined notice period and period during which the employee is entitled to severance payment should not exceed in aggregate 24 months.

Pension benefits should if possible be defined by contribution but may also be defined by benefit, or by a combination thereof, and should entitle the senior manager to pension payments from the age of 65 at the earliest, unless local regulations provide otherwise. Variable remuneration shall not be included in the base when calculating pension unless local regulations provide otherwise.

Matters of remuneration for the CEO shall be prepared by the Remuneration Committee and be resolved by the Board of Directors. The remuneration for senior managers who report directly to the CEO shall be prepared by the Remuneration Committee and can also be resolved by the Remuneration Committee.

The Board of Directors may derogate from the guidelines in certain cases if there are special reasons for doing so. Special reasons may include, for example, offering to members of the senior management who reside outside Sweden terms that are competitive in their country of residence.

Gothenburg in March 2018
CAPIO AB (publ)
The Board of Directors

APPENDIX TO THE PROPOSAL OF THE BOARD OF DIRECTORS ON GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR MANAGERS

Estimated costs for variable remuneration

The costs for variable remuneration to senior managers according to the proposal of the Board of Directors is based on the present remuneration levels and may, at maximum outcome, which presupposes that all targets on which the variable remuneration is based are reached, amount to maximum MSEK 12 (excluding social security contributions).

Remuneration resolved upon that is not due for payment

In the annual report 2017, note 4, the total remuneration to the Group Management during 2017 is reported, including commitments previously entered into, that are not yet due for payment.