

## **The Board's proposal to the Annual General Meeting of GHP Specialty Care AB (publ) on 23 April 2020 concerning guidelines for remuneration of the company's senior management (agenda item 18):**

These guidelines cover salary and other remuneration for members of the Board, the CEO and the deputy CEO as well as other persons in the senior management of GHP Specialty Care AB (“**the Company**”). The guidelines shall be applied to remuneration stipulated in agreements, and changes made to already agreed remuneration, after adoption of the guidelines at the 2020 Annual General Meeting. The guidelines do not cover remuneration resolved on by the Annual General Meeting.

With regard to conditions of employment that are governed by other rules than those pertaining in Sweden, appropriate adjustments may be made in order to comply with such compulsory rules or fixed local practice. In such cases these guidelines' overriding aim shall be met as far as is possible.

### **1. The guidelines' promotion of the Company's business strategy, long-term interests and sustainability**

GHP's business strategy in short is as follows:

*GHP's strategy is to grow through a sound mix of organic growth, acquisitions, start-ups and innovative concepts. The keywords for attaining this are “Quality through specialisation” and “Societal benefit”. GHP's clinics shall offer leading edge quality within their particular specialty and the clinics shall be leaders in terms of costs per course of treatment.*

For further information on the Company's business strategy, please see <https://www.ghp.se/investor-relations/strategi>.

Successful implementation of the Company's business strategy and protection of the Company's long-term interests, including its sustainability, are conditional upon the Company being able to recruit and retain well-qualified employees. This requires that the Company can offer competitive remuneration. These guidelines allow senior executives to be offered competitive total remuneration.

Long-term share-related incentive programmes have been established in the Company. They have been adopted by the Annual General Meeting and are therefore not covered by these guidelines. In the same way, the long-term share-related incentive programmes proposed by the Board for adoption by the 2020 Annual General Meeting are not covered by these guidelines. The programmes comprise persons with senior positions at the Company. Furthermore, the programmes require personal investment and multi-year holdings.

Variable cash remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including its sustainability.

### **2. Forms of remuneration etc.**

The Company shall strive to offer total remuneration that is reasonable and competitive in the market where the Company is operative. The remuneration terms shall reflect “payment by performance” and vary with the individual's performance and the Company's results. The total remuneration can comprise a fixed basic annual salary (“basic salary”), insurable benefits, other benefits and variable remuneration.

Furthermore, the Annual General Meeting can resolve – irrespective of these guidelines – on such benefits as share-related and share-price-related remuneration.

#### *Basic salary*

The basic salary shall form the foundation of the total remuneration for the Company's senior

management. The salary shall be competitive in the relevant market and reflect the responsibility that the work entails. The salary levels shall be reviewed regularly (usually through the annual salary evaluation) in order to ensure continued competitiveness and to reward individual achievement.

#### *Insurable benefits*

Pension premiums for premium-based pensions shall amount to a maximum of 40 percent of the basic salary. Variable remuneration shall not be pensionable income, unless this is stated in the compulsory provisions of collective agreements applicable to the executive.

#### *Other benefits*

Other benefits may include life insurance, medical insurance and car benefits. Such benefits may in total amount to a maximum of 25 percent of the basic salary.

#### *Variable remuneration*

Following the “payment by performance” principle, variable remuneration can represent an important part of the total remuneration for senior management. Such remuneration can be offered both with short-term performance targets (up to one (1) year) and long-term performance targets (three (3) years or longer). The guiding principle is that annual variable remuneration may not exceed a sum corresponding to six (6) months’ salary.

Other variable remuneration may be approved by the Board in extraordinary circumstances, provided that such extraordinary arrangements are made with a view to recruiting or retaining personnel. Furthermore, such extraordinary arrangements that are made with a view to retaining personnel shall include performance targets. Extraordinary arrangements with a view to recruiting may include such targets. The guiding principle is that other variable remuneration may not exceed a sum corresponding to three (3) months’ salary.

#### *Executives stationed in another country*

Executives stationed in a country other than their native country may receive further remuneration and other benefits to a reasonable degree taking into account the special circumstances associated with being stationed abroad. In such cases these guidelines’ overriding aim shall be met as far as is possible. Such remuneration and benefits may in total amount to a maximum of 100 percent of the basic salary.

### **3. Termination of employment**

Notice of termination shall be six (6) to twelve (12) months when the Company terminates employment and three (3) to six (6) months when a member of the company’s senior management gives notice of termination.

In individual cases the Board can approve severance pay over and above salary during the above-mentioned notice of termination period.

Severance pay can only be paid after termination of employment by the Company or when a member of the Company’s senior management resigns due to a considerable change in his/her work situation, which leads to him or her not being able to carry out fully satisfactory work. This can, for example, be the case when there is a considerable change in the ownership of the company in combination with changes in the organisation and/or changes in areas of responsibility.

For the individual, severance pay can mean an extension of the basic salary for a period of up to twelve months after the cessation of the employment agreement. Such payments shall be reduced by a value corresponding to the income that the person during a period of up to twelve months earns from other income sources, either from employment or from other independent business activities.

Moreover, remuneration may be paid for any non-competition undertaking. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. Remuneration shall amount to a maximum of 50 percent of the fixed salary at the time when notice of termination was given, unless otherwise stated in the compulsory provisions of a collective agreement, and shall be paid during the period of time the non-competition undertaking applies, which shall be no more than six (6) months after the termination of employment.

#### **4. Criteria for payment of variable cash remuneration etc.**

Variable cash remuneration shall be linked to predetermined and measurable criteria which primarily shall be financial, but they may also be non-financial. The criteria shall be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development. Such financial criteria could be linked to the Company's operating result (EBIT) or increase in sales. Non-financial criteria could be linked to quality objectives or the number of new agreements or procurement processes.

When the measurement period for meeting the criteria for payment of variable cash remuneration is over, it shall be assessed/determined to what extent the criteria have been met. The Remuneration Committee is responsible for this assessment with regard to variable cash remuneration to the CEO. With regard to variable cash remuneration to other executives, the CEO is responsible for the assessment. Regarding financial objectives, the assessment shall be based on the financial information most recently published by the Company.

#### **5. Salary and conditions of employment for employees**

When preparing the Board's proposal concerning these remuneration guidelines, salary and conditions of employment for the Company's employees have been taken into account inasmuch as details of employees' total remuneration, the remuneration's components and the remunerations' increase and rate of increase over time have been part of the Remuneration Committee's and the Board's basis for evaluating the fairness of the guidelines and the resulting limitations. The development of the gap between senior management's remuneration and other employees' remuneration will be presented in the remuneration report.

#### **6. Decision-making process for determining, reviewing and implementing the guidelines**

The Board has established a Remuneration Committee. The committee's tasks include preparing the Board's decision on the proposal concerning guidelines for remuneration of senior management. The Board shall draw up a proposal for new guidelines at least every fourth year and present the proposal for adoption at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also follow and evaluate programmes for variable remuneration of senior management and the application of guidelines for remuneration of senior management as well as current remuneration structures and remuneration levels at the Company. The members of the Remuneration Committee are independent in relation to the Company and senior management. When the Board considers and makes decisions regarding remuneration-related issues neither the CEO nor other members of senior management are present if these issues relate to them.

## **7. Departure from the guidelines**

The Board may resolve to temporarily depart from the guidelines, either in their entirety or partially, if in an individual case there are special reasons for so doing and a deviation is necessary to protect the Company's long-term interests, including its sustainability, or to secure the Company's financial strength. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration issues, which includes decisions on deviation from the guidelines.

## **8. Information on deviations from the guidelines for remuneration adopted by the 2019 Annual General Meeting**

There have been no deviations from the adopted guidelines.

---

## **Evaluation of the application of the guidelines for remuneration of senior management, as adopted by the 2019 Annual General Meeting**

The Remuneration Committee's evaluation of remuneration of senior management has been performed bearing in mind that remuneration shall be reasonable and competitive in the market where the Company is operative. The Remuneration Committee notes that the guidelines have fulfilled their purpose and worked in the way intended. The Remuneration Committee assesses that the application of the guidelines for remuneration of senior management has been correct and that there have been no deviations from the guidelines adopted. This also applies to the other terms of employment for the Company's senior management.

Gothenburg  
March 2020  
**GHP Specialty Care AB (publ)**  
The Board of Directors