



**The Board's proposal to the Annual General Meeting of GHP Specialty Care AB (publ) on 26 April 2017 concerning guidelines for remuneration and other terms of employment for the company's senior management (agenda item 14):**

GHP Specialty Care AB ("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 basic annual salary, insurable benefits and other variable remuneration or remuneration from incentive programmes.

**1. Basic salary and remuneration from incentive programmes**

The annual 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.

Following the 'payment by performance' principle, remuneration from different forms of variable remuneration or incentive programmes 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 4 months' salary.

Performance can be measured against both financial and non-financial targets. Financial targets shall consist of the creation of value at Group level, as well as other financial measures. Non-financial targets shall focus on factors in accordance with the company's strategic plans.

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.

**2. Insurable benefits**

Old-age pension, sickness benefits and medical benefits shall be designed so that they reflect rules and general practice. Pension plans shall as far as possible be defined contribution plans.

**3. Other benefits**

Other benefits can be granted to individual members or the whole of the company's senior management. These benefits shall not constitute a significant part of the total remuneration.

**4. Notice of termination and severance pay**

Notice of termination shall be 6-12 months when the company terminates employment and 3-6 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 the above-mentioned notice of termination.

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.

## **5. Deviations from the guidelines**

The Board shall be entitled to deviate from these guidelines if in an individual case there are special reasons for doing so.

For the Auditor's Statement in accordance with chap. 8 § 54 of the Swedish Companies Act, see [Appendix 1](#).

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## **Evaluation of the application of the guidelines for remuneration of senior management, as adopted by the 2016 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 2017

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