

## GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES IN BONESUPPORT HOLDING AB

Decided at AGM held on 12 April 2017

### **1. Introduction**

- 1.1 BONESUPPORT HOLDING AB and its subsidiaries (together the “Company”) shall offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established targets. It is noted that the Company is highly international with employees in several countries. When determining the remuneration level and other employment terms, the starting point should be that the terms should be competitive considering the situation in the country in which the employee is employed. The guidelines shall apply to employment agreements entered into after the adoption of these guidelines by the shareholders’ meeting or amendments to existing agreements made after the adoption of the guidelines.
- 1.2 The remuneration to the CEO and other senior executives can be comprised of fixed salary, variable remuneration, pension benefits, share-based incentive programs resolved by the shareholders’ meeting and other benefits. Senior executives refer to the CEO and the other persons forming part of the Company’s management team.
- 1.3 Remuneration and other employment terms for the CEO and other senior executives are prepared by the Remuneration Committee and resolved by the board of directors.

### **2. Fixed salary**

- 2.1 The fixed salary shall take into consideration the individual’s competence, area of responsibility and performance. A review should generally be made annually.

### **3. Variable remuneration**

- 3.1 The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable consideration is to be limited and may not exceed 75 per cent of the fixed annual salary for the CEO and 40 per cent of the fixed annual salary for other senior executives, whereby the individual highest level should be based on factors such as the position held by the specific individual.
- 3.2 The Company’s commitments in reference to variable remuneration for the CEO and other senior executives who can be entitled to variable remuneration targets are for 2017 calculated to amount to, if all targets are met in full and based on the current exchange rates, at the highest approximately SEK 10 million (excluding social charges). The calculation is based on the persons currently being senior executives and who can be entitled to variable remuneration.

### **4. Pensions**

- 4.1 In addition to what follows from law or collective bargain agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes. Refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for the Company is unchanged over time.

**5. Share-based incentive programs**

5.1 Share-based incentive programs shall, where applicable, be resolved by the shareholders' meeting.

**6. Other benefits**

6.1 The senior executives may be awarded other customary benefits, such as a company car, occupational health services, etc.

6.2 Should the Company be subject to a change of control at a valuation per share (on a fully diluted basis) below SEK 21,50, the CEO should be entitled to receive a one-off compensation corresponding to 12 months' base salary as well as an amount corresponding to the yearly average paid out performance bonus over the last three years (or for such shorter period as the employment agreement has been in force).

**7. Severance pay etc.**

7.1 In case of termination of the CEO's employment by the Company, the notice period should not exceed 6 months. In case the Company terminates the CEO without cause the CEO shall, in addition to salary during the notice period, be entitled to severance payment corresponding to 12 months' base salary as well as an amount corresponding to the yearly average paid out performance bonus over the last three years (or for such shorter period as the employment agreement has been in force). The notice period for other senior executives shall not exceed 12 months. In case of termination from the Company, in addition to salary during the notice period, severance payment corresponding to an amount equal to up to 12 months base salary may be paid.

**8. Deviations from the guidelines**

8.1 The board of directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

---