

Annual General Meeting of Handicare Group AB (publ)

The shareholders of Handicare Group (publ), 556982-7115, (“Handicare”) are hereby invited to the Annual General Meeting on Wednesday, 8 May 2019 at 1:00 p.m. at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

Right to participate in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must
firstly be included in the shareholders' register maintained by Euroclear Sweden AB as of Thursday, 2 May 2019, and,
secondly notify Handicare of their participation not later than Thursday, 2 May 2019.

Notification of attendance

Notification of attendance at the Annual General Meeting may be made:

- By telephone: 0733-05 30 65, weekdays 9.00-16.00, CET
- By post:
Handicare Group AB (publ)
“Annual General Meeting”
Ingmar Bergmans gata 4
SE-114 34 Stockholm
Sweden
- Via the website: www.handicaregroup.com

The notification shall state the shareholder's:

- Name
- Personal identity number/Corporate Registration Number
- Address and daytime telephone number
- Shareholding
- When applicable, information about any assistants, not more than two assistants, and information on any proxies who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates or the equivalent, shall be appended to the notification.

Proxy

Shareholders represented by proxy shall issue a dated power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document (“certificate”) for the legal entity shall be appended to the notification of attendance. The power of attorney and certificate may not be more than one year old. However, the validity of the power of attorney may be a maximum of five years from the date of issue, if specifically stated. The power of attorney in original and, where applicable, the certificate, should be sent by post to the company at the address stated above well in advance of the Annual General Meeting. Proxy forms are available on www.handicaregroup.com, and will be sent to shareholders who so request and inform the company of their postal address.

Nominee shares

Shareholders whose shares have been registered with a nominee must, through the bank or securities broker administering the shares, temporarily re-register their shares in their own names in order to be entitled to participate in the Annual General Meeting. Such re-registration must be completed with Euroclear Sweden AB not later than Thursday, 2 May 2019, entailing that the request for re-registration must be made to the nominee well in advance of this date.

Processing of personal data

For information on how your personal data is processed, please refer to the integrity policy available on Euroclear's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Number of shares and votes

The total number of shares and votes in Handicare is 58,939,000. Handicare does not hold any of its own shares.

Shareholders' right to request information

Shareholders are reminded of their right, at the Annual General Meeting, to request information from the Board of Directors and the CEO pursuant to Chapter 7, Section 32 of the Swedish Companies Act.

Proposed agenda

1. Opening of the meeting;
2. Election of Chairman of the meeting;
3. Drawing up and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons to certify the minutes;
6. Determination as to whether the meeting has been duly convened;
7. Submission of the annual report and auditors' report and the consolidated annual report and auditors' report for the group;
8. Speech by the CEO and statement by the Chairman of the Board of Directors;
9. Resolution regarding the adoption of the income statement and balance sheet and the consolidated income statement and balance sheet;
10. Resolution regarding allocation of profit in accordance with the adopted balance sheet;
11. Resolution regarding the discharge from liability for the members of the Board of Directors and the CEO;
12. Determination of the number of members and deputy members of the Board of Directors, and auditors and deputy auditors;
13. Determination of remuneration to the Board of Directors and the auditors;
14. Election of the members of the Board of Directors and the Chairman of the Board of Directors and auditors;
15. Resolution regarding remuneration guidelines for the group management;
16. Resolution regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants; and
17. Closing of the Meeting.

Resolution allocation of profit in accordance with the adopted balance sheet (item 10)

The Board of Directors proposes that the dividend for the year ended 31 December 2018 is determined to EUR 0.05 per share.

The Board of Directors proposes Friday, 10 May 2019 as the record day. If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, the dividend is expected to be paid through Euroclear Sweden AB on Friday, 17 May 2019. Payment is made in EUR, provided that EUR can be

received on the shareholder's yield account; if not, payment will be distributed in SEK, whereby currency exchange is made in accordance with Euroclear Sweden AB's applicable procedures.

The Nomination Committee's proposals (items 2, 12, 13 and 14)

The Nomination Committee is tasked with submitting proposals on the election of the Board Chairman and other members of the Board of Directors, fees for the Board and any remuneration for committee work, election and remuneration of the auditor and election of the Chairman of the Annual General Meeting. The shareholders represented in the Nomination Committee hold about 75.42 per cent of the shares and votes in Handicare.

The Nomination Committee has submitted the following proposals concerning items 2, 12, 13 and 14:

- Johan Thiman, lawyer and partner at White & Case LLP, be elected Chairman of the Annual General Meeting (item 2).
- The fee to each member of the Board of Directors shall be SEK 180,000. However, the fee payable to the Chairman of the Board of Directors shall be SEK 450,000. It is proposed that the fee for the Chairman of the Remuneration Committee be SEK 50,000, while the fee for an ordinary member of the Remuneration Committee be SEK 25,000. It is proposed that the fee for the Chairman of the Audit Committee be SEK 100,000, while the fee for an ordinary member of the Audit Committee be SEK 50,000. It is proposed that the fee to the auditors be paid in accordance with approved invoices (item 13);
- The number of members of the Board of Directors shall be seven (7) to be elected by the Annual General Meeting, with no deputy members (item 12). As members of the Board of Directors re-election of the current members of the Board of Directors Lars Marcher, Joakim Andreasson, Jonas Arlebäck, Maria Carell, Johan Ek, and Claes Magnus Åkesson is proposed. As new member of the Board of Directors, Christina Lindstedt is proposed. Elisabeth Thand Ringqvist has declined re-election. The Nomination Committee proposes that Lars Marcher be elected Chairman of the Board of Directors (item 14);
- The number of auditors shall be one (1) without deputies (item 12). The Nomination Committee proposes the election of Ernst & Young AB with authorised public accountant Stefan Andersson Berglund as Auditor-in-Charge until the end of the 2020 Annual General Meeting (item 14).

Proposal regarding remuneration guidelines for the group management (item 15)

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for remuneration to the CEO and other senior executives, who are members of the group management.

Principles

In general, the guidelines for remuneration to the group management entails that remuneration to members of the group management shall be based on the position held, individual performance and the group's performance, and that it shall be competitive in the country of employment. The total remuneration for the group management shall comprise fixed salary, variable salary in the form of short-term incentives based on annual performance targets, long-term incentives, pension and other benefits. In addition, there are conditions on notice of termination and severance pay.

Fixed salary

Fixed salary shall constitute the basis for total remuneration. The salary shall be related to the relevant market and shall reflect the degree of responsibility that the position held entails.

Variable salary (Short-term Incentive, "STI")

Members of group management shall be entitled to STI in addition to the fixed salary. The STI shall be based on the financial result of the group and/or for the business unit for which the member of group management is responsible. Financial performance indicators that should be used are organic growth, earnings and cash flow. In addition, other specific performance indicators can be used in order to put focus on matters of special interest to the company. Clearly defined objectives for "threshold", "target" and "stretch" levels of performance shall be stated at the start of the year and reflect the plans approved by the Board of Directors. STI may amount to a maximum of 60 percent ("stretch") of the fixed salary for the CEO and the other members of the group management.

Long-term incentives

The Board of Directors will annually evaluate if a long-term incentive program (e.g. share or share price based) should be proposed to the Annual General Meeting. Any long-term incentive programs shall promote a long-term engagement in the company, attract and serve to retain members of the group management and key personnel, as well as create an increased alignment of interests between the participant in the program and the shareholders of the company. Furthermore, any long-term incentive programs, to the extent they exist, shall be a complement to the fixed and variable salary, with participants nominated based on competence and performance.

The terms of any long-term incentive programs, including information regarding the maximum costs for the company, shall, where appropriate, be set forth in the Board of Directors' proposal.

Pensions

Pension benefits shall be defined contribution. The age of retirement follow the country specific pension rules.

Notice of termination and severance pay

For the CEO and the other members of the group management, mutual notice periods of 6 months shall apply as a general rule. The CEO and the other members of the group management shall, upon termination of their employments by the company, be entitled to severance pay amounting to not more than 12 months' fixed salary. No severance payment will be made when the employment is terminated by the employee.

Authority for the Board to deviate from the principles

Under special circumstances, the Board of Directors may deviate from these guidelines. In case of such deviation, the next Annual General Meeting shall be informed of the reasons.

Deviation from the 2018 guidelines

The 2018 guidelines authorised by the Board of Directors to deviate from the guidelines if there were, in an individual case, justifying special circumstances. The guidelines stipulated that STI may amount to a maximum of 50 percent of the fixed salary. During 2018, the Board of Directors decided to approve an employment agreement for the CEO of the group, according to which STI amounts to a maximum of 60 percent of the fixed salary. The Board of Directors' decision was motivated by the existence of special circumstances, taking into consideration the need to recruit the right person for the position, and the Board of Directors further considered a higher remuneration appropriate, necessary and in accordance with market terms.

Resolution regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants (Item 16)

The Board of Directors proposes that the annual general meeting of in Handicare Group AB (publ) (the "**Company**") resolves to adopt an incentive programme for senior executives by (A) a directed issue of not more than 1,211,804 warrants of series 2019/2022 to Handicare AB (the "**Subsidiary**") as set forth in item A below and (B) transferring the warrants issued from the Subsidiary to certain senior executives in the Group where the Company is the parent company (the "**Group**") as set forth in item B below. In total, the incentive program will be directed to not more than 14 individuals.

The incentive program entails that senior executives, who have entered into an agreement with the Subsidiary (the "**Agreement**"), are offered to acquire warrants at market value, calculated as set forth below.

Each warrant entitles the holder to subscribe for one (1) new share in the Company. The warrants have an exercise price per share corresponding to 126.0 per cent of the volume-weighted average of the Company's closing price 10 trading days following the annual general meeting on 8 May 2019, but may not be lower than the quotient value of the share.

Each warrant entitles to subscription of one new ordinary share in the Company during the following subscription period: 17 May 2022 – 19 June 2022.

The warrants shall be transferred on marketable terms at a price (premium) determined on the basis of a calculated market value for the warrants at the time of the transfer, using the Black & Scholes valuation

model calculated by an independent valuation institution. The value has been preliminarily estimated to SEK 3.10 per warrant, based on a share price of SEK 37 per share.

The complete terms and conditions for the warrants have been resolved by the Board of Directors and are presented in the Board of Directors' complete proposal.

Allocation of warrants

Not more than 14 senior executives in the Group (the "**Participants**") shall, provided that they have entered into the Agreement with the Subsidiary, be entitled to acquire warrants up to the maximum number of warrants as set out below.

Position	Number of Participants (maximum)	Number of warrants per Participant (maximum)	Total number of subscription warrants (maximum)
CEO	1	272,657	272,657
CFO	1	133,299	133,299
Management team	7	99,714	697,998
Other key personnel	5	21,570	107,850

Each Participant may acquire its maximum number of warrants as set out above.

Redemption of warrants

In connection with the Participants' acquisition of warrants in the program, the Subsidiary has, in the Agreement, reserved the right to, under certain circumstances, redeem warrants if a Participant's employment of assignment in the Group ceases or if the Participant wishes to transfer its warrants before they can be exercised.

Subsidy

The Subsidiary or another company in the Group will subsidise 50 percent of the amount that a Participant in the incentive programme shall pay for the warrants. If a warrant holder's employment within the Group is terminated before the warrants are exercised and the Subsidiary decides to repurchase the warrants pursuant to the terms of the Agreement, the warrant holder shall repay the subsidy according to the following.

If the Subsidiary acquires the warrants before 8 May 2020, the warrant holder shall repay the entire subsidy. If the Subsidiary acquires the warrants on or after 8 May 2020 but before 8 May 2021, the warrant holder shall repay two thirds of the subsidy. If the Subsidiary acquires the warrants on or after 8 May 2021 but before 8 May 2022, the warrant holder shall repay one third of the subsidy. If the Subsidiary acquires the warrants thereafter, no repayment shall be made. In cases where the warrant holder is obligated to repay the subsidy, such payment shall be executed through set-off of the redemption amount for the warrants to be paid by the Subsidiary at redemption of the warrants. However, the repayment of the subsidy shall not exceed the redemption amount for the warrants, which means that the warrant holder shall not be required to repay a higher sum than the market value of the warrants if the market value of the warrants at the time for the Subsidiary's repurchase is lower than the subsidy.

Effect on important key ratios and dilution

The incentive programme is expected to have a marginal effect on the Company's financial ratios. Based on the number of shares in the Company as of the date of the notice to the annual shareholders' meeting, the dilution effect of the warrant program will not exceed 2.0 percent. The Company's earnings per share for 2018 would have decreased from EUR 0.193 to EUR 0.189 as a result of a corresponding dilution.

Costs

The Company's costs for the incentive programme consists of social security costs on any potential warrant profit that Participants in the programme in certain jurisdictions make, as well as the cost of the payment of the subsidy (including relates social security costs) in all jurisdictions.

The total cost for the incentive program is dependent on the outcome of the programme. Assuming that the market price of the Company's share increases by 15.0 percent compared to the closing price on 1 April 2019, the cost for the program is estimated to amount to SEK 4.11 million.

The rationale for the incentive program

The rationale for the incentive program is to provide employees of the Group the opportunity to obtain a remuneration related to and dependent on the increase in value which they contribute, as well as to attract, motivate and retain key employees within the Group. The Board of Directors is of the opinion that it is to the benefit of the Company and the shareholders that the employees are given a personal incentive through ownership.

Preparation of the proposal

In accordance with guidelines provided by the Board of Directors, the incentive program has been prepared by the Company's Board of Directors and its Remuneration Committee together with advisors, and has been reviewed at meetings of the Board of Directors in first quarter of 2019.

Other incentive programs

For a description of the Company's other equity-related incentive programs, reference is made to the annual report for 2018.

Majority requirements

A resolution to approve the incentive program is valid only where supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the shareholders' meeting.

A – Directed issue of warrants

The following terms and conditions shall apply:

1. Subscription warrants shall be issued in one series: series 2019/2022.
2. Series 2019/2022 contains a maximum of 1,211,804 subscription warrants, of which each subscription warrant entitles to subscription for one (1) share in the Company.
3. Right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, vest in Handicare AB (the "**Subsidiary**"). The Subsidiary shall have the right and obligation to transfer the warrants to employees in the Group pursuant to the proposal in item B below. The Subsidiary shall not have the right to dispose of the warrants in any other way than what is proposed under item B below.
4. The warrants are issued free of charge.
5. Subscription for the subscription warrants shall be made on a specific subscription list no later than on 31 May 2019. There may be no over-subscription.
6. The subscription price shall at the time of subscription correspond to 126.0 per cent of the volume-weighted average of the Company's closing price 10 trading days following the annual general meeting on 8 May 2019, but may not be lower than the quotient value of the share.

The share capital may be increased with a maximum of EUR 1,669.606886 at the time of subscription for new shares.

Subscription for shares by the exercise of warrants of series 2019/2022 can be made during the following subscription period: 17 May 2022 – 19 June 2022.

The complete terms and conditions for the subscription warrants are set out in the Board of Directors' complete proposal.

Shares which are issued after subscription will entitle to dividends for the first time at the record date for dividends occurring immediately thereafter.

7. The reason for the deviation from the shareholders' preferential right is that the board of directors wishes to create an incentive program for senior executives of the Group. By way of

the current proposal, the employees of the Group will have the opportunity to obtain a remuneration related to and dependent on the increase in value which to they contribute. The board of directors is of the opinion that it is to the benefit of the Company and the shareholders that the employees are given a personal incentive through ownership. The purpose of the incentive program is further to attract, motivate and retain key employees within the Group.

8. The CEO, or whomever the CEO may appoint, shall be authorized to make such minor adjustments of the above resolution as may prove necessary in conjunction with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

B – Approval of transfer of warrants

The board of directors proposes that the meeting resolves to approve that Handicare AB (the “**Subsidiary**”) transfers at most 1,211,804 warrants of series 2019/2022 to senior executives in the Group on the following terms:

1. The warrants shall, at one or more occasions, be transferred by the Subsidiary to senior executives in the Group pursuant to the terms set forth below.
2. Allotment of subscription warrants shall take place according to the following principles:

Position	Number of Participants (maximum)	Number of warrants per Participant (maximum)	Total number of subscription warrants (maximum)
CEO	1	272,657	272,657
CFO	1	133,299	133,299
Management team	7	99,714	697,998
Other key personnel	5	21,570	107,850

3. The board of directors shall determine which senior executives in each category shall have the right to acquire warrants and how many warrants that each such Participant shall have the right to acquire.
4. A Participant can apply for acquisition of a lower, but not higher, number of warrants than the Participant has the right to acquire.
5. Upon acquisition of the warrants, the Participants shall enter into the Agreement with the Subsidiary.
6. The warrants shall be transferred on marketable terms at a price (premium) determined on the basis of a calculated market value for the warrants at the time of the transfer, using the Black & Scholes valuation model calculated by an independent valuation institution. The value has been preliminarily estimated to SEK 3.10 per warrant, based on a share price of SEK 37 per share.
7. To be entitled to acquire warrants from the Subsidiary, the person determined by the board of directors shall, at the time of the acquisition, be employed in the Group and neither have terminated its employment or have been terminated. Furthermore, it is required that the acquisition of warrants is legally possible. A person who has signed a contract of employment with a company that is part of the Group but not yet commenced service shall be considered as employed in this context.
8. Any warrants that are not transferred to employees as set forth above may be reserved for future recruitments and may, pursuant to instructions from the board of directors, at one or several occasions, be transferred to new employees in the companies included in the Group, whereupon corresponding principles for allocation, conditions to be entitled to acquire warrants and other terms as those set forth above shall apply.

The board of directors' complete proposal regarding allocation of profit in accordance with the adopted balance sheet and the board of directors' statement pursuant to Chapter 18, Section 4 of the Swedish

Companies Act according to item 10, proposal regarding remuneration guidelines for the group management according to item 15, proposal regarding adoption of a long-term incentive program through (A) directed issue of warrants and (B) approval of transfer of warrants according to item 16, the annual accounts according to item 7 and the auditor's statement on the application of remuneration guidelines for group management will be available at the company's office at Ingmar Bergmans gata 4, SE-114 34 Stockholm, Sweden, and on the company's website www.handicaregroup.com from 17 April 2019 at the latest. These documents will also be sent to shareholders who so request and inform the company of their postal address. The Board of Directors' complete proposal regarding item 16 will also be sent to all shareholders who have notified the company of their participation in the Annual General Meeting and have informed the company of their address.

The report by the board of directors on the remuneration committee's evaluation of remuneration to senior executives, information about all of the members proposed to comprise Handicare's board of directors and the nomination committee's complete proposals, explanatory statement regarding the proposal to the Board and report on work prior to the annual general meeting are available on the company's website www.handicare.com.

Stockholm, April 2019
Handicare Group AB (publ)
Board of Directors