

## **Welcome to the Annual General Meeting of shareholders of Elekta AB (publ)**

Shareholders of Elekta AB (publ), reg. no. 556170-4015, are hereby invited to attend the Annual General Meeting to be held on Thursday, August 22, 2019, at 2:00 p.m. at Moderna Museet in Stockholm. Registration will commence at 1:00 p.m.

### **Notification**

Shareholders who wish to attend the Annual General Meeting shall:

- be registered in the register of shareholders maintained by Euroclear Sweden AB no later than on Friday, August 16, 2019; and
- notify the Company of their intention to attend (along with notification of the number of any representatives) no later than on Friday, August 16, 2019, preferably before 4:00 p.m. via:

Internet: the notification link at [www.elekta.com](http://www.elekta.com)

Mail: Elekta AB (publ)  
"Annual General Meeting"  
Box 7842  
SE-103 98 Stockholm

Phone: +46 (0) 8 402 92 80

In providing notification of attendance, shareholders must state their name/company name, national identification number/corporate registration number, address, telephone number and the registered number of shares held.

### **Proxy and shares registered in the name of a nominee etcetera**

Shareholders represented by proxy must issue a power-of-attorney for the representative and the original power-of-attorney should be submitted at the same time as the notification. Forms of power-of-attorney in Swedish and English are available on the Company's web site, [www.elekta.com](http://www.elekta.com). If the power-of-attorney is issued by a legal entity, a verified copy of the registration certificate or corresponding document for the legal entity must be appended. The power-of-attorney and the registration certificate may not be older than one year. However, a longer period of validity may be specified on the power-of-attorney, although no longer than five years from the date of issue.

For information on how personal data is processed in relation to the Meeting, see the privacy notice available on Euroclear's website: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own names in the register of shareholders kept by Euroclear Sweden AB in order to participate in the Annual General Meeting. Such re-registration, so called voting right registration, must be completed no later than on Friday, August 16, 2019, which means that shareholders in sufficient time prior to this date must instruct the nominee to carry out such action.

The financial statements, the auditor's report, the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551) and the Board of Directors' complete proposals for decisions in accordance with points 10 (including the Board of Directors' reasoned statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act) and 20 a) (including the Board of Directors' reasoned statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act), of the agenda will be available on the Company's web site, [www.elekta.com](http://www.elekta.com), and at the Company's head office at Kungstensgatan 18 in Stockholm as of Thursday, August 1, 2019 and will be distributed to shareholders upon request and notification of postal address. The Nomination Committee's proposals and reasoned statement and details of all proposed members of the Board of Directors will be available on the Company's website from the date of issue of this notice. All of the above documentation will also be presented at the Annual General Meeting.

The total number of shares in the Company amounts to 383,568,409 shares, whereof 14,980,769 shares of series A and 368,587,640 shares of series B, representing a total of 518,395,330 votes. The series A shares carries ten votes and the series B shares carries one vote. The Company holds 1,541,368 series B shares, which may not be represented at the general meeting. The information pertains to the circumstances as per the time of issuing this notice.

The shareholders present at the Annual General Meeting have a right to request information regarding the matters on the agenda or the Company's financial situation in accordance with Chapter 7, Section 32 of the Swedish Companies Act.

## **Agenda**

1. Opening of the Meeting;
2. Election of the Chairman of the Meeting;
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting;
4. Approval of the agenda;
5. Election of one or two minutes-checkers;
6. Determination of whether the Meeting has been duly convened;
7. Presentation of the Annual Report and the Auditors' Report and the consolidated accounts and the Auditors' Report for the Group;
8. Address by the President and CEO and report on the work of the Board of Directors and committees of the Board of Directors by the Chairman of the Board of Directors;
9. Resolution concerning adoption of the balance sheet and income statement and the consolidated balance sheet and consolidated income statement;
10. Resolution concerning approval of the disposition of the Company's earnings as shown in the balance sheet adopted by the Meeting;
11. Resolution concerning the discharge of the members of the Board of Directors and the President and CEO from personal liability;
12. Report on the work of the Nomination Committee;
13. Determination of the number of members and any deputy members of the Board of Directors;
14. Determination of the fees to be paid to the members of the Board of Directors and the Auditor;
15. Election of Board members and any deputy Board members;
16. Election of Auditor;
17. Resolution regarding guidelines for remuneration to executive management;
18. Resolution regarding
  - a) Performance Share Plan 2019
  - b) transfer of own shares in conjunction with the Performance Share Plan 2019;
19. Resolution regarding authorization for the Board of Directors to decide upon transfer of own shares in conjunction with the Performance Share Plan 2017 and 2018;
20. Resolution regarding
  - a) authorization for the Board of Directors to decide upon acquisition of own shares;
  - b) authorization for the Board of Directors to decide upon transfer of own shares;
21. Appointment of the Nomination Committee;

22. Proposed resolutions by shareholder Thorwald Arvidsson;
23. Closing of the Meeting.

## **Proposals by the Board of Directors, the Nomination Committee and individual shareholders**

### **Item 2 – Chairman of the Annual General Meeting**

The Nomination Committee proposes Bertil Villard, attorney at law, as Chairman of the Annual General Meeting.

### **Item 10 – Disposition of the Company's earnings**

The Board of Directors proposes that of the Company's unappropriated earnings, SEK 2,550,414,301, an amount representing SEK 1.80 per share, should be distributed as dividend to the shareholders and that the remaining unappropriated earnings should be carried forward. It is proposed that the dividend is divided into two payments, of SEK 0.90 per payment. The first record day is proposed to be on Monday, August 26, 2019 and the second record day is proposed to be on Monday, February 24, 2020. If the Annual General Meeting resolves in accordance with the proposal, payments through Euroclear Sweden AB are estimated to be made on Thursday, August 29, 2019 and on Thursday, February 27, 2020.

### **Items 13 to 16 – Election of the Board of Directors and Auditor and remuneration to the Board of Directors and the Auditor**

The Nomination Committee proposes that the Board of Directors shall consist of eight (nine) members, without deputy members.

The Nomination Committee proposes that fees for the period until the next Annual General Meeting shall be paid to the Board of Directors at a total of SEK 5,130,000 (5,165,000), of which SEK 1,280,000 (1,165,000) to the Chairman of the Board of Directors and SEK 550,000 (500,000) to each of the non-executive members of the Board of Directors. The Nomination Committee further proposes that remuneration for committee work for the period until the next Annual General Meeting, shall be paid at SEK 115,000 (110,000) to the Chairman of the Executive Compensation & Capability Committee and SEK 80,000 (75,000) to any other member of said committee and SEK 240,000 (225,000) to the Chairman of the Audit Committee and SEK 150,000 (135,000) to

any other member of said committee. No remuneration or compensation for committee work shall be paid to members of the Board of Directors employed by the Company.

Remuneration to the Auditor is proposed to be paid according to an approved account.

The Nomination Committee proposes that each of Laurent Leksell, Caroline Leksell Cooke, Johan Malmquist, Tomas Puusepp, Wolfgang Reim, Jan Secher, Birgitta Stymne Göransson and Cecilia Wikström are re-elected as members of the Board of Directors for the period until the end of the next Annual General Meeting. The Nomination Committee further proposes that Laurent Leksell is re-elected Chairman of the Board of Directors. Annika Espander Jansson has declined re-election.

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that the registered public accounting firm Ernst & Young AB ("EY") is elected as Auditor for the period until the end of the next Annual General Meeting. EY has informed the Nomination Committee that if EY is elected, the Authorized Public Accountant Rickard Andersson will be appointed as auditor in charge.

#### **Item 17 – Resolution regarding guidelines for remuneration to the executive management**

The Board of Directors proposes that the Annual General Meeting approve the following guidelines for remuneration and other terms of employment for the executive management of the Group. The guidelines will be valid for employment agreements entered into after the Annual General Meeting and for any changes made to existing employment agreements thereafter. It is proposed that the Board of Directors be given the ability to deviate from the below-stated guidelines in individual cases where specific reasons or requirements exist. The guidelines in the following proposal are unchanged compared to the guidelines which were proposed by the Board of Directors and approved by the Annual General Meeting in August 2018.

#### **Guidelines**

It is of fundamental importance to Elekta and its shareholders that the guidelines for remuneration and other terms of employment for the executives of the Group attract, motivate and retain competent employees and managers, both in the short and long-term. To achieve this goal, it is important to ensure fairness and internal equity, while maintaining market competitiveness in terms of the structure, scope and level of executive compensation within Elekta. Employment

conditions for executive management should comprise a balanced mix of fixed salary, a variable salary component/annual incentive, long-term incentives, pension and other benefits, as well as notice and severance payments, where applicable.

### **Total target cash compensation**

Total target cash compensation, (fixed plus variable salary components), should be competitive in the geographic market where the executive is employed. The level of total target compensation should be reviewed annually to ensure that the company is competitive for similar positions in the market to be able to recruit and retain business critical competencies where needed. Market medians are established with the assistance of external compensation benchmarking. Since compensation should be performance-driven, the target annual variable salary component should account for a relatively high portion of the total target compensation.

### **Compensation components**

The Group compensation system comprises various forms of compensation. This ensures well-balanced remuneration, thereby strengthening and underpinning short and long-term objective setting and achievement.

#### *Fixed salary*

Executive Management's fixed salary shall be individual and based on the content and responsibility of the position, the individual's competence and experience in relation to the role held, as well as the geography in which the position is based.

#### *Variable salary*

In addition to a fixed salary, Executive Management also has a variable salary component, the annual Incentive/bonus. The variable component is structured as a portion of the total cash remuneration package and is primarily related to the achievement of common Group financial performance goals. The Key Performance Indicators (KPIs) for variable salary components shall primarily be related to the outcome of specific financial and functional objectives within the Group compensation and benefit system.

The goals for the variable salary component are established annually by the Board of Directors to sustain the business strategy and objectives. Other KPIs may be used to drive focus on non-financial objectives of particular interest.

The size of the variable salary component depends on the position held and may amount to between 30 percent and 70 percent of the fixed salary for on-target performance. Performance against fixed targets and payment for results achieved are measured quarterly or annually.

If performance related financial goals within the variable salary plan exceeding 100 percent of the target, there is the opportunity for additional compensation for over performance. The annual incentive entails a potential to earn a maximum of 200 percent of the target variable salary component. Accordingly, the maximum payout level for the sum of the variable salary component is capped at a 200 percent of the original target for variable compensation. The plan also contains a minimum performance level or threshold under which no variable salary or annual incentive will be paid out at all.

### **Equity-based long-term incentive programs**

The Board of Directors also uses long-term incentives to ensure alignment between shareholder interests and executive management, senior managers and other key colleagues. On an annual basis, the Board of Directors evaluates whether an equity-based long-term incentive program should be proposed to the Annual General Meeting.

In order to strengthen long-term thinking in decision-making and ensure achievement of long-term objectives, while also covering situations where equity-based solutions may be inappropriate or precluded by law, the Board of Directors may also selectively decide on other types of non-equity-based long-term incentive programs. Monetary long-term incentives should only be used as remuneration in special circumstances and be in line with practice in each market. They must also require continued employment in the Group.

### **Retention measures**

In order to ensure long-term engagement and retention of key staff in connection with the acquisition of new business, the divestment of operations or other transitional activities, an additional annual incentive with a deferred payment of 12–24 months may or may not be applied. This deferred incentive requires continued employment until an agreed future date for any payment to be made and is applied only in special and rare circumstances, which means that it is not part of any ordinary executive remuneration scheme. The deferred incentive should never exceed 50 percent of the contractual annual variable salary component and shall in other aspects comply with the Group bonus plan.

## **Pensions**

When establishing new pension agreements, senior executives who are entitled to pension benefits should only be enrolled in defined-contribution schemes. The standard retirement age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guideline is that the size of pension contributions be based only on the fixed salary. Certain individual adjustments may occur based on local market practice.

## **Other benefits**

Benefits such as company cars and health, medical and sickness-related insurance schemes, should be of a more limited value compared with other items of the compensation package and in line with the market practice for the respective geographic market.

## **Notice periods and severance agreements**

Periods of notice in Elekta follow local labor legislative requirements in the geographies in which they are based. Senior executives generally have notice periods of between 6 and 12 months and, during specific circumstances, to be entitled to severance payment equal 6-12 months employment. In the event of a material change of control, the President and CEO shall be entitled to an extra severance payment equal to 18 months employment.

Severance agreements entitling executives to lump sum payments will in principle not be signed.

## **Preparation and decision process**

During the year, Elekta's Executive Compensation & Capability Committee ("ECCC") provided the Board of Directors with recommendations regarding principles for formulating the Group's remuneration system and remuneration of senior executives and senior managers. The recommendations covered formulation of the bonus system, distribution between fixed and variable remuneration and the size of any salary increases. The ECCC also proposed criteria for assessing the performance of senior executives and senior managers. Any decisions on remuneration for the CEO is taken by the Board of Directors in its entirety.

The Board of Directors has discussed the proposals from the ECCC and its motion to the Annual General Meeting is based on the recommendation submitted. Elekta's ECCC comprises the Chairman of the Board of Directors and three independent Board members. The President and

CEO attend the committee's meetings. The Group Vice President Human Resources acts as the ECCC secretary.

### **Item 18 a) – Resolution on Performance Share Plan 2019**

Performance Share Plan 2019 ("PSP 2019") including the Board of Directors' proposal for resolutions on implementation of a performance share plan and transfer of treasury shares.

#### **Background**

Long-term variable compensation is an integral part of Elekta's remuneration strategy. Elekta has annually resolved on a long-term incentive program in the form of a performance-based share program for executive management and cash-based program for key employees within the Group.

The Board of Directors proposes to limit Elekta's long-term variable compensation in 2019 and include only the executive management and a few selected key employees in the same share-based long-term incentive plan, instead of a larger group of employees as in the previous year's performance share plan. The Board of Directors proposes that the Annual General Meeting resolves on PSP 2019 pursuant to the main principles set forth below. The Board of Directors considers that PSP 2019 fulfils the purpose of aligning the interests of the participants and the shareholders, strengthen Elekta's ability to attract, retain and motivate qualified employees and strengthening Elekta's focus and objective to meet its long-term business and share price goals.

#### **Proposal for a Performance Share Plan 2019**

The Board of Directors proposes that the Annual General Meeting resolves on the implementation of the PSP 2019. In order to implement the PSP 2019, the Board of Directors proposes that no more than 800,000 series B shares in Elekta may be used in the PSP 2019 to be transferred to employees in the Group and, that up to 30 per cent of these shares may be sold on Nasdaq Stockholm in order to cover, *inter alia*, social contribution costs.

The Board of Directors proposes that the Annual General Meeting resolves in accordance with the proposals set out below.

### ***Implementation of the Performance Share Plan 2019***

The PSP 2019 shall be offered to individuals with most impact on long-term company performance both in current roles but also for future roles i.e. the President and CEO, Executive Management and nominated Key Contributors, all in all about 30 employees.

The Board of Directors will determine a maximum value for the PSP 2019 participant group. The maximum value for all participants can be up to 120 per cent of annual base salary at the beginning of the fiscal year 2019/2020. The actual maximum value for each participant will be subject to an individual performance evaluation for the past fiscal year. The total sum of the maximum value for all participants in the PSP 2019 will not exceed SEK 66,032,858 excluding social contribution costs.

Each participant's maximum value shall be converted into a number of shares, based on the average closing share price of the Elekta series B share on Nasdaq Stockholm during a period of ten trading days before the day the participants are offered to participate in the program.

Participants in the PSP 2019 will be granted a conditional award over performance shares, which is a right to receive a specific number of such shares at a future date, provided the relevant conditions are met. The total number of shares that can be received is dependent on the degree of fulfilment of one target, Elekta three-year Total Shareholder Return ("TSR") relative to the OMXS30 Index over a three-year period. For the PSP 2019, the minimum performance requirement is that Elekta TSR outperform the OMXS30 Index with at least +0,1 per cent. The maximum performance level requires that Elekta TSR outperform the OMXS30 Index at or above +15 per cent. If the minimum performance level is reached, the allocation will amount up to (and will not exceed) 30 per cent of annual base salary at the beginning of the fiscal year 2019/2020. The actual minimum value for each participant will be subject to an individual performance evaluation for the past fiscal year. If the maximum performance level is reached or exceeded, the allocation will amount to (and will not exceed) the maximum number of performance shares. If performance is below the maximum level but above the minimum level, a proportionate allocation of shares will be made. No allocation will be made if performance is below the minimum level.

The performance target shall be adjusted at the occurrence of events affecting the number of outstanding shares in the Company, or unforeseen material events affecting the Group's operations or otherwise affecting the performance targets and deemed relevant by the Board of

Directors. Should the Company decide on changes to the Company's accounting principles or decide on restructuring costs, the Board of Directors may decide on changes to the PSP 2019 performance targets.

The receipt of shares normally requires that the persons covered by the PSP 2019 are employed in the Group at the end of the Performance Year 2021/2022.

If all conditions included in the PSP 2019 are met, receipt of shares shall be made free of charge three years after an agreement has been entered into and following approval by the Board of Directors. Before the number of shares to be received are finally determined, the Board of Directors shall examine whether the allotment is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board of Directors, reduce the number of shares to be allotted to the lower number of shares deemed appropriate by the Board of Directors.

The participants shall not provide any consideration for their rights under the program.

The participants shall at receipt of shares receive cash compensation for any cash dividend paid out for the three financial years 2019/2020-2021/2022.

The number of shares included in the proposal may be recalculated by the Board of Directors due to changes in the capital structure, such as a bonus issue, a consolidation or a split of shares, new issue or reduction of the share capital or similar measures.

The Board of Directors, or a committee established by the Board of Directors for this purpose, will be responsible for the detailed drafting and management of the PSP 2019, within the scope of the principal conditions and guidelines as specified. The Board of Directors shall thereupon be entitled to make adjustments to meet specific rules or market conditions abroad. Hence, the Board of Directors can decide on the implementation of an alternative cash-based incentive solution for participants in countries where the allotment of Performance Shares is not appropriate, or if such solution is otherwise considered appropriate. The Board of Directors shall also be entitled to make other adjustments provided that there are substantial changes in the Group or its business environment which would signify that conditions for allocation in accordance with the PSP 2019

are no longer appropriate. Such alternative incentive solution shall to the extent practically possible be designed to correspond to the terms of the PSP 2019.

Participation in the PSP 2019 assumes that such participation is legally possible and suitable and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.

In order to reduce the economic risk due to an increase of the share price during the term of the PSP 2019 and in order to secure the ability to deliver shares, Elekta intends to acquire and transfer own shares in accordance with points 20 a) and 18 b).

#### *Costs of Performance Share Plan 2019*

Assuming maximum allotment under the PSP 2019 and a share price of SEK 120, a maximum of 715,356 series B shares are required to fulfil commitments under the program (including social security costs), corresponding to approximately 0.19 per cent of the total number of outstanding shares. The number of shares covered by existing and outstanding incentive programs amounts to 801,304 shares, corresponding to approximately 0.21 per cent of the total number of outstanding shares.

Assuming maximum allotment of shares under the PSP 2019 and a share price of SEK 120, the costs, including social security costs and the financing cost for repurchased own shares, are estimated at approximately SEK 85,842,715.

#### **Hedging actions**

In order to secure delivery under the PSP 2019, the Board of Directors proposes under point 18 b), that no more than 800,000 series B shares may be transferred to employees in the Group and, moreover that a portion of the shares also may be transferred on Nasdaq Stockholm in order to cover, *inter alia*, social contribution costs. If the proposal to transfer repurchased shares to program participants would not be approved by the Annual General Meeting, the Board of Directors will consider other means to meet the delivery undertakings under the PSP 2019.

### **Preparation of the proposal**

The proposal has been prepared by the Company's Executive Compensation & Capability Committee in consultation with the Board of Directors. The resolution to propose the PSP 2019 to the Annual General Meeting has been taken by the Board of Directors.

### **Outstanding incentive programs in Elekta**

For a description of Elekta's on-going share related incentive programs reference is made to note 7 in Elekta's annual report for 2018/2019.

### **Majority requirement**

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 18 a) must be supported by shareholders representing more than half of the votes cast, or, in the event of a tied vote, through the chairman exercising his casting vote.

### **Item 18 b) – Resolution regarding transfer of own shares in conjunction with the Performance Share Plan 2019**

The Board of Directors proposes that the Annual General Meeting resolves on transfer of own shares in the Company and authorization for the Board of Directors as a result of the PSP 2019 on the following terms.

- i) No more than 800,000 shares of series B can be transferred with deviation from the shareholders' preferential rights.
- ii) Right to acquire shares shall be granted to such individuals within the Group covered by the terms and conditions for the PSP 2019. Further, subsidiaries within the Group shall have the right to acquire shares free of consideration and such subsidiaries shall be obligated to immediately transfer free of consideration shares to their employees covered by the terms of the PSP 2019.
- iii) The employee shall have the right to receive shares during the period when the employee is entitled to receive shares in accordance with the terms of the PSP 2019.
- iv) Employees covered by the terms of the PSP 2019 shall, subject to certain conditions, receive shares of series B free of consideration.
- v) The Board of Directors is authorized, during the period until the next Annual General Meeting to decide, on one or more occasions, to transfer no more than 240,000 shares on Nasdaq Stockholm, in order to cover certain payments, mainly social security

payments. The transfer may be executed by waiving the shareholders' preferential rights and at a price that is within the registered price interval (spread) at any given time, meaning the interval between the highest bid price and the lowest ask price at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm at any given time.

The reasons for deviation from the shareholders' preferential rights and the base for determination of the transfer price are as follows.

The transfer of own shares forms part of the implementation of the PSP 2019. The Board of Directors considers it an advantage for the Company and its shareholders that the employees are shareholders in the Company. The base for determination of the transfer prices is evident from the Board of Directors' proposal under item 18 a) above.

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 18 b) must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the Annual General Meeting.

**Item 19 – Resolution regarding authorization for the Board of Directors to decide upon the transfer of own shares in conjunction with the Performance Share Plan 2017 and 2018**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors during the period until the next Annual General Meeting to decide, on one or more occasions, on the transfer of not more than 240,000 shares on Nasdaq Stockholm, with reference to the Performance Share Plan 2017 and 2018, to cover certain expenditures, mainly social security contributions. Transfers may be executed at a price that is within the registered price interval (spread) at any given time, meaning the interval between the highest bid price and the lowest ask price at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm at any given time.

The resolution of the Annual General Meeting in accordance with the Board's proposal pursuant to this item 19 must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

**Item 20 a) – Resolution regarding authorization for the Board of Directors to decide upon acquisition of own shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors during the period until the next Annual General Meeting to decide, on one or more occasions, on the acquisition of a maximum number of own shares so that, after the purchase, the Company holds not more than ten percent of the total number of shares in the Company. Such shares shall be purchased on Nasdaq Stockholm at a price within the so-called spread (see above), and in other respects in accordance with the rules of Nasdaq Stockholm at any given time. The purpose of the repurchase of own shares is firstly to align the Company's capital structure to the Company's capital requirements and, where appropriate, to enable share transfers in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions. An additional objective is to facilitate hedging of costs and delivery in relation to the Performance Share Plan 2019 proposed under item 18.

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 20 a) must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Annual General Meeting.

**Item 20 b) – Resolution regarding authorization for the Board of Directors to decide upon the transfer of own shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors during the period until the next Annual General Meeting to decide, on one or more occasions, on the transfer of shares in the Company. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the Company at any given time. Transfer of own shares shall be made either on Nasdaq Stockholm or in another manner.

In conjunction with the acquisition of companies or operations, transfer of own shares may be made with deviation from the shareholders' preferential rights and at a price that is within the so-called spread (see above) at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm at any given time. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the Company, or on other specific terms. The reason for the Board of Directors' authorization to waive

the shareholders' preferential rights is, where appropriate, to be able to transfer shares in conjunction with the financing of any company acquisitions and other types of strategic investments and acquisitions in a cost-efficient manner.

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 20 b) must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Annual General Meeting.

### **Item 21 – Appointment of the Nomination Committee**

The Nomination Committee proposes that the procedure for appointment of Nomination Committee for the Annual General Meeting 2020 shall be arranged in accordance with the following:

The Chairman of the Board of Directors shall, before the end of the second quarter of the financial year, contact the four largest holders of voting rights, besides the shareholder or those shareholders the Chairman of the Board of Directors may represent, which may appoint one person each that, together with the Chairman of the Board of Directors, shall constitute the Nomination Committee until the end of the next Annual General Meeting, or, where applicable, until a new Nomination Committee has been appointed. Where shareholders refrain from their respective right to appoint a member to the Nomination Committee, the right to appoint a member to the Nomination Committee shall pass on to the thereafter largest holder of voting rights which not yet have appointed or have had the right to appoint a member to the Nomination Committee. Euroclear Sweden AB's list of shareholders on the last banking day in September and other reliable information being provided the Company on such date, shall form the basis of the assessment of which holders of voting rights being the largest. Unless the Nomination Committee unanimous resolves to appoint another member as the Chairman of the Nomination Committee, the Chairman of the Nomination Committee shall be the member of the Nomination Committee being appointed by the largest holder of voting rights. The Nomination Committee shall be entitled to, following a unanimous resolution hereof, appoint a person as co-opt member to the Nomination Committee. Such co-opted member does not participate in the Nomination Committee's resolutions. The names of the members of the Nomination Committee and the names of those having appointed them, shall be made public as soon as they have been appointed, however no later than six months before the next Annual General Meeting. No remuneration shall be paid to the members of the Nomination Committee.

If any of the shareholders having appointed a member to the Nomination Committee sells (sales shall also include share loans regardless of the purpose for which the loan is made) its shares in the Company before the Nomination Committee has fulfilled its assignment, the member that has been appointed by such a shareholder shall, if the Nomination Committee so resolves, be replaced by a member to be appointed by the shareholder at that time being the largest shareholder following the shareholders being represented in the Nomination Committee. If any of the members of the Nomination Committee ceases to represent the shareholder having appointed that member, before the assignment of the Nomination Committee has been fulfilled, that member shall be replaced, if the shareholder so wishes, by a new representative appointed by that shareholder. The Nomination Committee is entitled to, if deemed appropriate and besides a co-opted member possibly appointed in accordance with above, co-opt a member to the Nomination Committee who is appointed by a shareholder who after the constituting of the Nomination Committee, has come to be among the four largest holders of voting rights. Such co-opted member does not participate in the Nomination Committee's resolutions.

The Nomination Committee shall execute its assignment in accordance with the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*) and other applicable rules. The assignment includes, *inter alia*, to present proposals on:

- i) Chairman at Annual General Meeting;
- ii) Chairman and other members of the Board of Directors;
- iii) remuneration to non-executive members;
- iv) remuneration to the Company's auditor and election of auditor; and
- v) where so deemed necessary, proposal to amend the instructions for the Nomination Committee.

#### **Item 22 – Proposed resolutions by shareholder Thorwald Arvidsson**

The shareholder Thorwald Arvidsson has requested that the following items shall be addressed at the Annual General Meeting:

- a) that the second paragraph of Article 5 of the Articles of Association shall read as follows:  
"Each share entitles the holder to one vote";
- b) that the following paragraphs in Article 5 shall be deleted;
- c) that all shares of both series A and series B shall be converted into shares without serial designation;

- d) to instruct the Board of Directors to work for the Swedish Companies Act to be amended so that the possibility of differentiation of voting rights is abolished, primarily by referring to the Government; and
- e) to further instruct the Board of Directors to prepare a proposal for representation of the small and medium-sized shareholders in both the Board of Directors and the Nomination Committee. The assignment shall also include promoting a change of the national legal framework, primarily by referring to the Government.

Stockholm in July 2019

The Board of Directors of Elekta AB (publ)