

NOTICE OF ANNUAL GENERAL MEETING IN ARJO AB

The shareholders of Arjo AB (publ) are hereby invited to attend the Annual General Meeting (the “AGM”) to be held on Friday 4 May 2018 at 11.00 a.m. CET, in Clarion Hotel & Congress Malmö Live, Dag Hammarskjölds torg 2, Malmö, Sweden.

RIGHT TO ATTEND

Shareholders who wish to attend the AGM must:

- be recorded in the share register kept by Euroclear Sweden AB (*the Swedish Central Securities Depository*), on Friday 27 April 2018, and
- notify the company of their intention to attend the AGM by Friday 27 April 2018, preferably before 4.00 p.m. CET.

In order to participate in the AGM, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with Euroclear Sweden AB by Friday 27 April 2018. Therefore, shareholders are requested to notify their nominees in due time before the said date.

NOTICE OF ATTENDANCE

Notice of attendance shall be made in writing to Arjo AB, “AGM”, c/o Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 10-335 47 00, or on the company’s website, www.arjo.com. The notice of attendance shall state name, personal (or corporate) identity number, shareholding, telephone number and name of advisor, if any. An entrance card to be shown when registering for the AGM will be sent in confirmation of the notice of attendance. Shareholders represented by proxy should submit a power of attorney to the company before the AGM. A proxy form is available at the company and on the company’s website, www.arjo.com. Representatives of a legal entity shall present a copy of the certificate of registration or similar document of authorisation.

PROPOSAL FOR AGENDA

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of person(s) to approve the minutes
6. Determination of compliance with the rules of convocation

7. Presentation of
 - (a) the Annual Report and the Auditor's Report
 - (b) the Consolidated Accounts and the Group Auditor's Report
 - (c) the statement by the auditor on the compliance of the Guidelines for Remuneration to Senior Executives applicable since the last AGM
 - (d) the Board's proposal for distribution of the company's profit and the Board's reasoned statement thereon
8. Report on the work of the Board of Directors, including the work and functions of the Remuneration Committee and the Audit Committee
9. The CEO's report
10. Resolution regarding adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and the Consolidated Balance Sheet
11. Resolution regarding dispositions in respect of the Company's profit according to the adopted Balance Sheet and determination of record date for dividend
12. Resolution regarding discharge from liability for the Board of Directors and the CEO
13. Establishment of the number of Board members and auditors
14. Establishment of fees to the Board of Directors (including fees for work in Committees) and the auditor
15. Election of the Board of Directors and Chairman of the Board
 - (a) re-election of Johan Malmquist;
 - (b) re-election of Carl Bennet;
 - (c) re-election of Eva Elmstedt;
 - (d) re-election of Ulf Grunander;
 - (e) re-election of Carola Lemne;
 - (f) re-election of Joacim Lindoff; and
 - (g) re-election of Johan Malmquist as Chairman of the Board
16. Election of auditor
17. Resolution regarding instruction for Nomination Committee
18. Resolution regarding Guidelines for Remuneration to Senior Executives
19. Closing of the Meeting

PROPOSALS BY THE NOMINATION COMMITTEE (item 2 and 13-17)

The Nomination Committee in respect of the 2018 AGM has comprised Carl Bennet (*Chairman of the Committee; Carl Bennet AB*), Per Colleen (*Fjärde AP-fonden*), Marianne Nilsson (*Swedbank Robur*), Maria De Geer as representative for the minor shareholders and the Chairman of the Board of Directors Johan Malmquist.

The Nomination Committee has proposed the following:

Chairman of the AGM: The Chairman of the Board, Johan Malmquist, shall be elected Chairman of the AGM.

Board of Directors: The number of Board members elected by the General Meeting shall be six, without deputy members. Johan Malmquist, Carl Bennet, Eva Elmstedt, Ulf Grunander, Carola Lemne and Joacim Lindoff shall be re-elected as Board members. Johan Malmquist shall be re-elected as Chairman of the Board.

Board and committee fees: Board fees, excluding remuneration for committee work, shall amount to a total of SEK 3,450,000, of which, unchanged, SEK 1,150,000 to the Chairman and, unchanged, SEK 575,000 to each of the other Board members elected by the General Meeting who are not employees of Arjo Group. Work in the Audit Committee shall, unchanged, be compensated with SEK 240,000 to the Chairman and SEK 120,000 to each of the other members. Work in the Remuneration Committee shall, unchanged, be compensated with SEK 125,000 to the Chairman and SEK 92,000 to each of the other members.

Auditor: The registered auditing company Öhrlings PricewaterhouseCoopers AB shall be re-elected as auditor for the period until the end of the 2019 AGM in accordance with the Audit Committee's recommendation. If elected, Öhrlings PricewaterhouseCoopers AB has informed that Magnus Wilfors will be auditor-in-charge. Fees to the auditor shall be paid in accordance with approved invoices.

Instruction for Nomination Committee: The Nomination Committee in respect of the annual general meetings shall be composed of the representatives of the three largest shareholders in terms of voting rights listed in the shareholders' register maintained by Euroclear Sweden AB as of 31 August the prior to the annual general meeting, one representative of the minor shareholders and the chairman of the board of directors, who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee. Should a shareholder decline to participate in the Nomination Committee, a representative from the largest shareholder in turn shall be appointed. If earlier than two months prior to the annual general meeting one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the three largest shareholders in terms of voting rights, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the three largest shareholders in terms of voting rights, may appoint their representatives. Should a member resign from the Nomination Committee before its work

is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder in turn. Changes in the composition of the Nomination Committee shall be made public immediately.

The composition of the Nomination Committee for the annual general meeting is to be announced no later than six months before that meeting. Remuneration shall not be paid to the members of the Nomination Committee. The company is to pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced. The Nomination Committee shall propose the following: chairman at the general meeting, board of directors, chairman of the board of directors, auditor, remuneration to the board of directors divided between the chairman and the other directors as well as remuneration for committee work and remuneration to the company's auditor.

This instruction shall apply until further notice.

DIVIDEND (item 11)

The Board and the CEO have proposed that a dividend of SEK 0.50 per share be declared. As record date for the dividend the Board proposes Tuesday 8 May 2018. If the AGM resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB starting Monday 14 May 2018.

THE BOARD'S PROPOSAL REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES (item 18)

The Board proposes that the AGM resolves upon guidelines for remuneration to senior executives principally corresponding to the 2017 guidelines, except for one amendment to enable to offer senior executives a variable long-term bonus (LTI bonus), awarding target based, measurable achievements with the purpose to promote the long-term added value of the company as well as retaining key persons on senior positions. The performance period for the LTI bonus shall be at least three financial years and the LTI bonus shall be capped at 100% of the fixed salary during the three-year period, i.e. a maximum of one third of the fixed salary per year. In other respects, the guidelines entails the following. Arjo shall have the remuneration levels and terms of employment deemed necessary to recruit, motivate and retain a management team with excellent competence and capacity to achieve set goals. The total remuneration to senior executives shall comprise fixed salary, variable remuneration, pensions and other benefits. The variable remuneration

shall be fixed and linked to predetermined and measurable criteria elaborated with the purpose to promote the long-term added value of the company. In addition to the variable remuneration, approved share or share-related incentive programs may occasionally be implemented. The Board shall retain the right to deviate from the guidelines if motivated by particular reasons on an individual basis.

DOCUMENTS AND OTHER INFORMATION

Financial statements, Auditor's Report and other documents pursuant to item 7, the Board's reasoned statement under item 11, the Nomination Committee's complete proposal for the resolutions under item 17 and the complete proposal of the Board of Directors for the resolution under item 18 will be available at the company and on the company's website, www.arjo.com, as from Wednesday 11 April 2018 at the latest and will be sent to shareholders upon request. Copies will also be available at the AGM.

The Board and the CEO shall at the AGM, if any shareholder so requests and the Board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the Group.

The total number of shares in the company amounts to 272,369,573, whereof 18,217,200 shares of series A and 254,152,373 shares of series B. The total number of votes in the company amounts to 436,324,373.

Malmö in March 2018

The Board of Directors of Arjo AB (publ)