

Protokoll fört vid årsstämma med aktieägarna i **Arjo AB (publ)**, org. nr 559092-8064, i Malmö den 7 maj 2019

*Minutes kept at the Annual General Meeting of shareholders in **Arjo AB (publ)**, corporate ID No. 559092-8064, held in Malmö, Sweden, on 7 May 2019*

§ 1

Stämman öppnades av styrelsens ordförande, Johan Malmquist.

The Chairman of the Board, Johan Malmquist, opened the Meeting.

§ 2

Johan Malmquist utsågs att såsom ordförande leda förhandlingarna vid stämman. Det antecknades att såsom sekreterare vid stämman tjänstgjorde Arjos ekonomidirektör Jonas Lindqvist.

Noterades att det inför dagens stämma gjorts bedömningen att det med hänsyn till aktieägarkretsens sammansättning inte är motiverat att tillhandahålla tolkning till främmande språk av förhandlingarna.

Johan Malmquist was appointed Chairman to lead proceedings at the Meeting. It was noted that Arjo's Chief Financial Officer Jonas Lindqvist served as secretary at the Meeting.

It was noted that a decision had been made prior to the Annual General Meeting that, taking into account the composition of the group of shareholders, it was not necessary to provide for interpretation of the proceedings into a foreign language.

§ 3

De aktieägare som upptagits såsom närvarande i bilagda förteckning Bilaga 1 hade inom föreskriven tid anmält sitt deltagande i stämman. Förteckningen godkändes såsom röstlängd vid stämman.

The shareholders recorded as present in the enclosed Appendix 1 had announced their intent to participate in the Meeting within the stipulated time. The list was approved as the voting list at the Meeting.

§ 4

Det i kallelsen intagna förslaget till dagordning godkändes av stämman.

The proposed agenda published in the notice was approved by the Meeting.

§ 5

Per Colleen, representerande Fjärde AP-fonden, och Caroline Sjösten, representerande Swedbank Robur Fonder, utsågs att jämte ordföranden justera dagens protokoll.

Per Colleen, representing the Fourth Swedish National Pension Fund (AP4), and Caroline Sjösten, representing Swedbank Robur Fonder, were appointed to approve the minutes, jointly with the Chairman.

§ 6

Anmäldes att kallelse till stämman skett genom annonsering i Post- och Inrikes Tidningar den 29 mars 2019 samt att kallelsen offentliggjorts och hållits tillgänglig på bolagets webbplats den 27 mars 2019. Att kallelse har skett har vidare annonserats i Svenska Dagbladet och Sydsvenskan den 29 mars 2019. Stämman konstaterades vara i behörig ordning sammankallad.

It was reported that notice to attend the Annual General Meeting had been published on 29 March 2019 in Post- och Inrikes Tidningar and that the notice was made available at the company's website on 27 March 2019. Further, on 29 March 2019 the company announced in Svenska Dagbladet, and Sydsvenskan that notice has been issued. It was determined that the Meeting had been duly convened.

§ 7

Ordföranden upplyste att styrelsens och verkställande direktörens årsredovisning med tillhörande balans- och resultaträkning samt koncernbalans- och koncernresultaträkning för räkenskapsåret 2018 liksom revisorsyttrande om huruvida de riktlinjer för ersättning till ledande befattningshavare som gällt sedan föregående årsstämma har följts samt styrelsens förslag till vinstutdelning och motiverat yttrande däröver, Bilaga 2, har funnits tillgängliga på bolagets hemsida och skickats till de aktieägare som anmält att de vill erhålla dessa.

Stämman beslutade att ovan nämnda handlingar skulle anses framlagda vid stämman. Auktoriserade revisorn Magnus Willfors föredrog revisionsberättelsen och koncernrevisionsberättelsen över årsredovisningen, koncernredovisningen, räkenskaperna samt styrelsens och verkställande direktörens förvaltning för räkenskapsåret 2018.

The Chairman reported that the Board's and the CEO's Annual Report with the accompanying Balance Sheet and Income Statement and the Consolidated Balance Sheet and Consolidated Income Statement for the financial year 2018 as well as the statement of the auditor on the compliance of the guidelines for remuneration to senior executives applicable since the last Annual General Meeting and the Board's proposal for appropriation of the company's profit and the Board's reasoned statement thereon, Appendix 2, have been available on the company's website and have been distributed to all shareholders who registered that they wished to receive a copy.

The Meeting resolved that the aforementioned documents would be regarded as presented at the Meeting. Authorised public accountant Magnus Willfors presented the Auditors' Report and the Group Auditors' Report on the Annual Report, the consolidated financial statements, the accounts and the administration of the Board and the CEO for the financial year 2018.

§ 8

Ordföranden redogjorde för bolagsstyrningsfrågor inom Arjo-koncernen samt för styrelsearbetet och arbetet inom ersättningsutskottet under verksamhetsåret 2018. Ulf Grunander redogjorde för arbetet inom revisionsutskottet under verksamhetsåret 2018, samt för det arvode bolaget erlägger för revisionsuppdraget respektive andra uppdrag till bolagets revisorer.

The Chairman reported on Corporate Governance matters within the Arjo Group, the work of the Board and the work of the Remuneration Committee during the business year 2018. Ulf Grunander reported on the work of the Audit Committee during the business year 2018 and on the fees the company pays for the audit assignment and other assignments conducted by the company's auditors.

§ 9

Ordföranden lämnade ordet till Joacim Lindoff, verkställande direktör och koncernchef, för föredragning avseende verksamhetsåret 2018. I anslutning härtill besvarades frågor från aktieägarna.

The Chairman gave the floor to Joacim Lindoff, CEO and president, for a report on the business year 2018. In connection hereto, questions from the shareholders were answered.

§ 10

Stämman beslutade att fastställa den framlagda resultaträkningen och balansräkningen samt även koncernresultaträkningen och koncernbalansräkningen.

The Meeting resolved to adopt the Income Statement and Balance Sheet and the Consolidated Income Statement and the Consolidated Balance Sheet as presented.

§ 11

Stämman beslutade

att i enlighet med styrelsens och verkställande direktörens förslag på så sätt att till aktieägarna utdelas 0,55 kronor per aktie motsvarande totalt 149.803.265 kronor samt att resterande belopp balanseras i ny räkning

samt att såsom avstämningsdag för rätt till utdelning fastställa den 9 maj 2019.

Konstaterades att utdelning beräknas kunna utsändas av Euroclear Sweden AB med början den 14 maj 2019.

The Meeting resolved

to *in accordance with the Board's and the CEO's proposal to pay to the shareholders a dividend of SEK 0.55 per share, in total SEK 149,803,265 and that the remaining amount should be carried forward.*

and to *set the record date for the entitlement to dividends as 9 May 2019.*

It was noted that dividend payments through Euroclear Sweden AB were expected to commence on 14 May 2019.

§ 12

Stämman beslutade att bevilja styrelsens ledamöter och verkställande direktören Joacim Lindoff ansvarsfrihet för räkenskapsåret 2018.

Det antecknades att varken styrelseledamöterna eller verkställande direktören deltagit i beslutet.

The Meeting resolved to discharge the Board members and the CEO Joacim Lindoff from liability for their administration of the company for the financial year 2018.

It was noted that neither the Board members nor the CEO participated in this resolution.

§ 13

Per Colleen, representerande Fjärde AP-fonden, redogjorde för valberedningens uppgifter och arbete inför årsstämman 2019.

Stämman beslutade i enlighet med valberedningens förslag att antalet styrelseledamöter skulle vara sju stycken, utan suppleanter samt att ett registrerat revisionsbolag skall utses till bolagets revisor.

Per Colleen, representing Fjärde AP-fonden, reported on the functions and the work of the Nomination Committee in respect of the Annual General Meeting 2019.

The Meeting resolved in accordance with the proposal of the Nomination Committee that the number of Board members would be seven, without deputy members and that a registered public accounting firm should be elected as the company's auditor.

§ 14

Stämman beslutade i enlighet med valberedningens förslag att arvode till av bolagsstämman valda styrelseledamöter ska utgå med ett sammanlagt belopp om 4.330.000 kronor, varav 1.380.000 kronor till ordföranden och 590.000 kronor till var och en av de övriga bolagsstämmovalda ledamöter som inte är anställda i koncernen. Stämman beslutade vidare att ersättning för arbete i revisionsutskottet ska utgå med 246.000 kronor till ordföranden och 123.000 kronor till var och en av övriga ledamöter och att ersättning för arbete i ersättningsutskottet ska utgå med 128.000 kronor till ordföranden och 94.000 kronor till var och en av övriga ledamöter. Stämman beslutade att arvode till revisorerna ska utgå enligt godkänd räkning.

The Meeting resolved in accordance with the proposal of the Nomination Committee that fees to the members of the Board elected by the Annual General Meeting be paid in a total amount of SEK 4,330,000, of which SEK 1,380,000 shall be paid to the Chairman and SEK 590,000 to each of the other members elected by the Annual General Meeting who are not employed in the Group. In addition, the Meeting resolved that fees for work on the Audit Committee be paid in an amount of SEK 246,000 to the Chairman and SEK 123,000 to each of the other members, and that fees to the Remuneration Committee be paid in an amount of SEK 128,000 to the Chairman and SEK 94,000 to each of the other members. The Meeting resolved that fees to the auditors shall be paid in accordance with approved invoices.

§ 15

Per Colleen presenterade och motiverade valberedningens förslag till styrelse. Noterades att valberedningen föreslagit omval av styrelsens ordförande Johan Malmquist, liksom av styrelseledamöterna Carl Bennet, Eva Elmstedt, Ulf Grunander, Carola Lemne och Joacim Lindoff samt nyval av Dan Frohm.

Upplyste ordföranden att de till omval föreslagna ledamöternas uppdrag i andra företag finns angivna i årsredovisningen och att en presentation av Dan Frohms uppdrag hållits tillgänglig på bolagets hemsida. Beslutade stämman att de uppdrag vilka de föreslagna styrelseledamöterna har i andra företag skulle anses såsom föredragna vid stämman.

Stämman valde för tiden intill slutet av nästa årsstämma till

styrelseledamöter: Johan Malmquist (ordförande), Carl Bennet, Eva Elmstedt, Ulf Grunander, Carola Lemne och Joacim Lindoff (samtliga omval) och Dan Frohm (nyval).

Ordföranden informerade att arbetstagarorganisationerna utsett Sten Börjesson och Ingrid Hultgren till ledamöter i styrelsen, med Eva Sandling Gralén och Kajsa Haraldsson som suppleanter

Per Colleen presented and explained the Nomination Committee's proposal regarding the Board.

It was noted that the Nomination Committee had proposed re-election of the Chairman of the Board Johan Malmquist, as well as the Board members Carl Bennet, Eva Elmstedt, Ulf Grunander, Carola Lemne and Joacim Lindoff and new election of Dan Frohm.

The Chairman informed that assignments in other companies of the Board members proposed for re-election are presented in the Annual Report and that a presentation of Dan Frohm's assignments had been available on the company's website. The Meeting resolved that the proposed Board members' assignments in other companies should be regarded as presented at the Annual General Meeting.

For the period until the close of the next Annual General Meeting, the Meeting elected:

Board members: Johan Malmquist (Chairman), Carl Bennet, Eva Elmstedt, Ulf Grunander, Carola Lemne and Joacim Lindoff (all re-election) and Dan Frohm (new election).

The Chairman informed that the employee organizations had appointed Sten Börjesson and Ingrid Hultgren as members of the Board, with Eva Sandling Gralén and Kajsa Haraldsson as deputy members.

§ 16

Per Colleen presenterade och motiverade valberedningens förslag till val av revisor. Stämman omvalde revisionsbolaget Öhrlings PricewaterhouseCoopers AB till bolagets revisor med Magnus Willfors som fortsatt huvudansvarig revisor och Cecilia Andréén Dorselius som medpåskrivande revisor intill utgången av årsstämman 2020.

Per Colleen presented and explained the Nomination Committee's proposal regarding the election of auditor. For the period extending to the close of the Annual General Meeting 2020, the Meeting re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB as the company's auditor with Magnus Willfors remaining as auditor in charge and Cecilia Andréén Dorselius as co-auditor.

§ 17

Ordföranden redogjorde för styrelsens förslag avseende riktlinjer för ersättning till ledande befattningshavare i enlighet med Bilaga 3.

Stämman beslutade om riktlinjer i enlighet med styrelsens förslag.

The Chairman presented the Board's proposal regarding guidelines for remuneration to senior executives in accordance with Appendix 3.

The Meeting resolved to adopt the guidelines in accordance with the Board's proposal.

§ 18

På ordförandens initiativ framförde stämman sitt stora tack till verkställande direktören och övrig bolagsledning samt anställda för utomordentliga insatser under verksamhetsåret 2018.

Avslutningsvis tackade ordföranden stämmodeltagarna för deras stora engagemang och förklarade stämman avslutad.

On the initiative of the Chairman, the Meeting expressed its gratitude towards the CEO, the other members of management and the employees for extraordinary efforts during the business year 2018.

Finally, the Chairman thanked the shareholders present for their participation and declared the Meeting closed.

Vid protokollet:
Minutes recorded by:

Jonas Lindqvist

Justeras:
Approved by:

Johan Malmquist

Per Colleen

Caroline Sjösten

Arjo AB (publ)

Statement by the Board of Directors pursuant to Chapter 18, section 4 of the Swedish Companies Act

The Board has proposed that the 2019 Annual General Meeting, May 7th 2019, resolves on an allocation of profits entailing a dividend to the shareholders of SEK 0.55 per share. Accordingly, the dividend amounts to a total of SEK 149,803,265. By reason of the Board's proposed dividend, the Board hereby makes the following statement pursuant to Chapter 18, section 4 of the Swedish Companies Act.

Profits amount to MSEK 4,793 and the net profit for the financial year 2018 amounts to MSEK 296. Provided that the 2019 Annual General Meeting approves the Board's proposed allocation of profits, MSEK 4,643, will be carried forward. The company's restricted shareholders' equity is fully covered after the proposed dividend.

The Board considers that after the proposed dividend, the company's and the group's shareholders' equity will be sufficient in relation to the nature, scope and risks of the business. In this context, the Board of Directors has considered factors such as the company's and group's historical development, budgeted development and the cyclical situation.

The Board has considered the company's and the group's position and the company's and the group's prospects of fulfilling their commitments in the short and long term. The proposed dividend amounts to 3.25% of the company's shareholders' equity and 2.76% of the consolidated shareholders' equity. The shareholders' equity in the group has decreased with MSEK 76 because assets and liabilities have been valued at fair value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act.

After the distribution of the dividend, the company's and the group's equity/asset ratios are approximately 61.0% and 40.6%, respectively. Accordingly, the company's and the group's equity/asset ratios are satisfactory by comparison with the industrial sector. The Board considers that the company and the group will be able to assume future business risks and to withstand potential losses. The dividend will not have a detrimental impact on the company's or the group's capacity to make further investments pursuant to the plans of the Board.

The proposed dividend will not have a detrimental impact on the company's and the group's capacity to fulfill their payment commitments. The company and the group have ready access to short- as well as long-term credits that can be drawn down at short notice. Accordingly, the Board considers that the company and the group are well prepared to respond to changes in regard to liquidity as well as unexpected events.

In addition to the above, the Board has considered other known circumstances that may be significant to the company's and the group's financial position. In this context, no circumstance has arisen implying that the proposed dividend would not appear justifiable.

Malmö in February 2019

The Board of Arjo AB (publ)

Arjo AB (publ)

Proposal by the Board of Directors on guidelines for remuneration to senior executives

These guidelines comprise those included in the Group Management and other executives in the group who are directly subordinated to the CEO, hereinafter referred to as “senior executives”. The guidelines apply to agreements entered into after the General Meeting’s resolution to adopt these guidelines and until the General Meeting resolves on new guidelines.

Arjo shall have the remuneration levels and terms of employment deemed necessary to recruit, motivate and retain a management team with the right competence and capacity to achieve set goals.

Senior executives shall receive fixed salary. The fixed salary shall be on market conditions and individual remuneration levels shall be based on experience, competence, responsibility, geographic location and performance.

In addition to fixed salary, the CEO has a performance-based cash benefit that shall not exceed 60 % of the fixed annual salary.

Performance-based annual bonus for other senior executives shall not exceed 50-70 % of the fixed annual salary (depending on function and geographical location).

Performance-based annual bonus shall not be paid if the group’s Profit after financial items for the current fiscal year is negative.

In addition to fixed salary and the performance-based annual bonus above, senior executives may obtain a variable long-term bonus (LTI bonus), awarding target based, measureable 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.

The Board of Directors may propose the General Meeting to resolve that senior executives, in addition to fixed salary and performance-based annual bonus, are offered a long-term share price-based incentive program that rewards performance over a longer period and that aims to promote the company’s long-term value creation and to retain key individuals in senior positions. Incentive programs resolved by the General Meeting are not covered by these guidelines.

The Group Management’s non-monetary benefits such as, for example, company car, computer, mobile phone, additional health insurance or company healthcare, shall be payable to the extent it

is deemed to be on market conditions for senior executives in corresponding positions on the market in which the company operates. The total value of these benefits shall be a minor part of the total remuneration.

Senior executives shall receive pension benefits. The pension benefit shall be premium-based and shall not exceed 30 % of the fixed salary. Employees in Sweden can also be covered by the current ITP plan.

Salary during the notice period and severance pay for senior executives shall not exceed the amount equal to the salary for twelve months.

By law, remuneration to Board members is resolved by the General Meeting to the extent it constitutes remuneration for Board assignments. If a Board member is employed by the company, compensation to such Board member is paid in accordance with these guidelines. A Board member not employed by the company shall not receive any special compensation for the board assignment in the company or group company. If a Board member performs assignments for the company not covered by the board assignment, compensation shall be paid based on market conditions taking into account the nature and the amount of work.

The Remuneration Committee of the Board of Directors prepares proposals for resolution by the Board regarding remuneration to the CEO. The Remuneration Committee of the Board of Directors prepares, in consultation with the CEO, and resolves on remuneration to other senior executives. The Board of Directors resolves on matters relating to remuneration to Board members for assignments not covered by the board assignment, provided that this may be resolved by the required majority, otherwise such resolution will be taken by the Annual General Meeting. The Board of Directors may derogate from these guidelines in certain cases if there are special reasons for doing so, provided that this is reported and explained afterwards.

Malmö in February 2019

The Board of Directors of Arjo AB (publ)