

Fixed salary

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed salary shall be determined by taking into consideration the individual's competence, area of responsibility and performance. A review should in general be made annually.

Variable cash remuneration

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote BONESUPPORT's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Variable cash remuneration may, for the CEO, amount to a maximum of 75 percent of the fixed annual salary, for the CFO, a maximum of 52.5 percent of the fixed annual salary, and for other senior executives, a maximum of 40 percent of the fixed annual salary, whereby the individual maximum level should be based on factors such as the position held by the specific individual. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as net revenue and operating profit (EBIT), or non-financial, such as qualitative targets (also referred to as MBOs). Less than 40 percent of the variable cash remuneration shall depend on non-financial criteria. By linking the goals in a clear and measurable way to the remuneration of the senior executives to BONESUPPORT's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The board of directors shall have the possibility to, in whole or in part, reclaim variable remuneration paid on incorrect grounds.

Pension benefits

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 40 percent of the fixed annual salary.

Other benefits

Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits differ substantially from country to country, but may generally amount to a maximum of 25 percent of the fixed annual salary.

Termination of employment and severance payment

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by BONESUPPORT, the notice period may not exceed 12 months. Severance pay, in addition to fixed salary and other remuneration during the notice period, may not exceed an amount corresponding to the fixed annual cash salary for 12 months. Upon termination by the senior executive, the notice period may not exceed six months.

Additional remuneration may be paid for non-compete undertakings in order to compensate for loss of income. Such remuneration shall only be paid in so far as the previously employed senior executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination of employment and may not exceed 60 percent of the fixed salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than twelve months following termination of employment.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of BONESUPPORT have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to the members of the Board of Directors

To the extent a member of the board of directors renders services for the company, in addition to his or her assignment as a member of the board of directors, an additional consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of BONESUPPORT's business strategy and the safeguarding of BONESUPPORT's long-term interests, including its sustainability.

Preparation and decision-making progress

The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the board of directors' resolution to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting.

The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from these guidelines

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

Information regarding resolved remunerations that have not yet fallen due

Apart from the commitments to pay ongoing remuneration such as salary, pension and other benefits, there are no previously resolved remuneration to any senior executives that have not yet fallen due. For further information on remuneration to senior executives, please see note 11 in the annual report.

Description of material changes of the guidelines and how the shareholders' opinions are considered

These guidelines, which are proposed for the annual general meeting 2023, correspond to a large extent with the guidelines resolved upon by the annual general meeting 2020. However, in the guidelines now proposed, the maximum level of variable cash remuneration for the company's CFO has been adjusted. In the proposed guidelines, the variable cash remuneration for the company's CFO may amount to not more than 52.5 percent of the fixed annual salary, compared to previously 40 percent of the fixed annual salary.

No comments or questions on the remuneration guidelines have emerged in connection with general meeting proceedings.

Lund in April 2023

The Board of Directors of BONESUPPORT HOLDING AB (publ)