

# **Proposal by the Board of Directors of Getinge AB on guidelines for remuneration to senior executives**

The Board of Directors of Getinge AB proposes that the 2014 Annual General Meeting resolves on the following guidelines for remuneration to senior executives.

## **1. Scope of the guidelines, etc.**

These guidelines cover remuneration and other terms of employment for individuals being part of the group management of Getinge AB during the validity of the guidelines, in the following referred to as “senior executives”. At present, the group management has six members.

## **2. Basic principles and remuneration elements**

The basic principle is that remuneration and other terms and conditions of employment for senior executives shall be based on market conditions and be competitive in all markets where Getinge operates, to ensure that competent and skillful employees can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, responsibility and achievement.

The total remuneration to senior executives shall comprise basic salary, variable remuneration, pensions and other benefits.

Each year the Board of Directors shall evaluate whether a share-based or share price-based incentive program shall be proposed to the General Meeting or not.

## **3. Principles for various types of remuneration**

### ***Fixed remuneration***

The fixed remuneration, meaning the basic salary, shall be based on the individual employee’s area of responsibility, authority, competence and experience.

### ***Variable remuneration***

The allocation between basic salary and variable remuneration shall be proportional to the responsibility and authority of the employee. The variable remuneration shall always be limited in advance to a maximum amount and connected to predetermined and measurable criteria, established with the purpose to promote the long-term added value of the company. In case earnings before taxes are negative, variable remuneration shall not be paid. Further, in case cash variable remuneration has been paid on the basis of information which later proves to be manifestly misstated, Getinge should be assured possibility to reclaim such remuneration.

As regards the CEO, the variable remuneration shall be capped at 80% of the basic salary. The variable remuneration shall be based on the individual goals set by the

Board of Directors. Examples of such goals are earnings, volume growth, working capital and cash flow. In respect of other senior executives, the variable remuneration shall be based on the result within the executive's responsibility area as well as the outcome of individual goals.

In addition to the variable remuneration set forth above, there may be long-term incentive programs determined from time to time in accordance with item 2 above.

### ***Pension***

Pension rights for the CEO shall apply from the age of 60 and for other senior executives from the age of 60 – 65. Pension agreements shall be contracted according to national regulations applicable in the senior executive's country of residence. Pension levels shall be based on a certain share of the basic salary. Pension benefits shall be inviolable.

### ***Terms of notice***

Upon notice by the CEO, a notice period of six months shall apply. Upon termination of employment by the company, a notice period of maximum twelve months shall apply, with right for the CEO to obtain salary during such period. The termination pay shall not be set off against other income.

Upon termination of employment of other senior executives by the company, the senior executive shall have the right to obtain salary during a notice period of minimum six months and maximum twelve months.

### ***Other benefits***

Other benefits such as company car, extra health insurance or occupational health service may be provided to the extent this is considered customary for senior executives holding equivalent positions on the labor market where the employee is active. The total value of such benefits shall, however, amount to a minor part of the total remuneration.

## **4. Other**

The guidelines shall apply to agreements entered into after the adoption by the Annual General Meeting and to changes made in existing agreements after this date. The Board of Directors shall retain the right to deviate from the guidelines if motivated by particular reasons on an individual basis.

The guidelines entail a level of remuneration which in principal is equivalent with the one for the financial year 2013.

Information on remuneration, etc. to senior executives during the financial year 2013 is set forth on page 83 (part of note 27) of the 2013 Annual Report.

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Getinge in February 2014

**The Board of Directors of Getinge AB (publ)**