

POINT 15

THE COMPLETE PROPOSAL OF THE BOARD FOR THE ADOPTION OF PRINCIPLES FOR EXECUTIVE COMPENSATION

The Elekta group since several years has principles and form for compensation to the executive management and for decision making on such issues. The Board and the Executive Compensation Committee decide on the structure, size and form of compensation to the executive management. The Board of Directors proposes that the meeting approves the following principles for remuneration and other terms of employment for the executive management of the group. The principles will be valid for employment agreements entered into after the meeting and for any changes made to existing employment agreements thereafter. It is proposed that the Board is given the possibility to deviate from the below stated guide lines in individual cases where specific reasons or requirements exist.

Principles

It is of fundamental importance to the group and it's shareholders that the principles for compensation and other employment conditions for the executives of the group aims to, in the short and long term, attract, motivate and retain competent employees and managers. To obtain this goal, it is important to ensure fairness and internal equity, while maintaining market competitiveness of the structure, scope and level of executive compensation within Elekta. Employment conditions for the executive management should comprise a balanced mix of fixed salary, annual incentives, long term incentives, pension and other benefits as well as notice and severance payments.

Total target cash compensation, i.e. fixed salary and variable incentives, should be competitive in the geographic market where the employee is resident. The level of total cash should be reviewed annually to ensure that it is in line with the median for similar positions in the relevant market. Compensation should be highly performance driven and therefore the target annual incentive should be a relatively high portion of the total target compensation.

Compensation components

The group compensation system comprises different forms of compensation in order to create a well balanced remuneration which strengthens and underpins long and short term objective setting and attainment.

Fixed salary

The fixed salary shall be individual and based on the content and responsibility of the role as well as the individual's competence and experience in relation to the role held.

Annual incentive

Executive management has an annual incentive with quarterly measurement and payment. The annual incentive is structured as a variable component of the total cash remuneration package and is primarily related to the achievement of common group financial performance goals. The goals for the annual incentive are established annually by the Board so as to sustain the business strategy and objectives. Other measures, i.e. Key Performance Indicators, may be used to create focus on non-financial objectives of particular interest. The size of the annual incentive is dependent on the role held and may amount to between 30 and 100% of the fixed salary at target performance. At over-performance of

financial and other quantitative goals the level of pay out against the annual incentive is capped at a maximum of 150% of target. The plan shall also contain a minimum performance level under which no bonus will be paid out.

In order to ensure long term engagement, continued employment as well as competitive pay from an international perspective, the annual incentive may be complemented by an additional annual incentive with a deferred payment by 12-24 months. This deferred bonus requires continued employment until an agreed future date for any payment to be made. The deferred bonus should never exceed 50% of the normal annual incentive and shall in other aspects follow the group bonus plan.

Long Term Incentive and share related incentive programs

In order to strengthen long term thinking in decision making and ensure achievement of long term objectives, the Board may selectively decide on other type of non-share price related long term cash incentive programs. Potential remuneration in form of a long term incentive should be in line with practice in each market and requires continued employment in the group.

The Board also uses long term incentives to reinforce a customer and shareholder perspective among executive and other management. On a yearly basis, the Board of Directors evaluates whether a share based long term incentive program, e.g. in the form of an option program, should be proposed to the AGM. The main content of the Board's proposal to this year's Annual General Meeting can be found under point 19: The complete proposal of the Board for a resolution to adopt the Elekta AB 2004 Share Unit Plan.

Pension

When establishing new pension agreement, those senior executives that are entitled to pension benefits should have defined contribution schemes. The pensionable age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guide line is that the size of pension contributions is based only on the fixed salary. Certain individual adjustments may occur based on market practice.

Other benefits

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

Notice periods and severance agreements

The President and CEO has a notice period of 24 months. Other senior executives have notice periods between 6 and 12 months. Severance agreements will in principle not be signed. In a redundancy situation, the current practice in the geographic market where the executive is resident will apply.