

Point 15 – Proposal by the Board of Directors of Elekta AB (publ) regarding guidelines for remuneration to the executive management

The Board of Directors proposes that the Annual General Meeting on September 15, 2009, approves the following guidelines for remuneration and other terms of employment for the executive management of the group. The guidelines 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 guidelines in individual cases where specific reasons or requirements exist.

Guidelines

It is of fundamental importance to the group and its shareholders that the guidelines for remuneration and other terms of employment 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. Market medians are established annually with the assistance of external benchmarking. 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 payments and measurement in relation to fixed targets. 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 measures for the annual incentive shall primarily be related to the outcome of specific financial objectives within the group compensation and benefit system. 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 incentive 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 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 17 the proposal of the Board for a decision on an incentive program.

Pension

When establishing new pension agreement, those senior executives that are entitled to pension benefits should have defined contribution schemes. The standard retirement age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guideline is that the size of pension contributions is based only on the fixed salary. Certain individual adjustments may occur based on local 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 period of notice for the President and CEO is 24 months if notice is given by the company and 8 months if notice is given by the President and CEO. In the event of a material change of control, the President and CEO shall have the right to terminate the employment with 6 months notice within 120 days, and shall be entitled to severance payment equal to 18 months employment including all employment benefits save for annual incentives and company car. 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.